

Ramos hopes to see fast growing markets move towards free trade

Manila seeks to spur Asian tariff reform

By Edward Luce in Manila and Guy de Jonquieres in Kuala Lumpur



Fidel Ramos: initiative

The Philippines is seeking to persuade the six other members of the Association of South-East Asian Nations to extend unconditionally to the rest of the world tariff cuts which they have agreed to make on trade with each other.

President Fidel Ramos hopes to win the support of his Asean partners for the idea in time for the next summit of the 18-member Asia-Pacific Economic Co-operation forum, which he will host in Subic Bay in November.

If accepted, the initiative would accelerate liberalisation of some of the world's fastest growing markets and increase momentum behind Apece's plan to free trade and investment in the Pacific rim region by the year 2020.

"Presenting a unilateral Asean initiative in November would not only bring the Philippines political kudos for its leadership," said Professor Julius Cesar Parreñas, trade policy adviser to the Philippine government. "It would also send a strong message to the rest of the world that developing countries are cutting tariffs of their own accord, at a time when much of the west is dragging its feet."

Each Asean member has already agreed, as part of a free trade area plan, unilaterally to lower tariffs on trade with the others to an average of 5 per cent by 2003.

Mr Jesus Estanislao, senior Apece adviser to Mr Ramos, said his government now wanted the cuts extended to all trading partners on a Most Favoured Nation basis.

That would mean that Asean members would dismantle their trade barriers well ahead of the 2020 deadline set by Apece and even before 2010, when Apece's industrialised members are due to liberalise their markets fully.

Surging demand in Latin America, India, China and the Asia-Pacific region will lift annual world sales of cars and light trucks by nearly 25 per cent - to more than 58.5m units - by the year 2001, according to the latest forecast from industry consultants DRI/McGraw-Hill.

Latin America, in particular, will see spectacular growth in both sales and production, with Brazil's output of cars and light trucks, for example, more than doubling within a decade to exceed the 2m level by early next century.

These developments in the emerging nations will more than compensate for the relative lack of growth in the mature markets of Europe and North America, DRI says.

It is taking a slightly more optimistic line than some industry analysts in forecasting that west European sales of cars and light trucks will rise 4 per cent this year against 1995, to reach 13.8m units - within which car sales are forecast to climb 3.7 per cent.

However, at least a third of car sales growth will result from short-term measures to stimulate economies, and sales will fall again next year as conditions for EU monetary union force governments to tighten fiscal policies.

The overall picture for Europe will be brightened by accelerating growth in central and eastern economies, as market liberalisation improves conditions in countries such as the Czech Republic and new, more modern vehicle manufacturing projects take root.

Production in west Europe has been outperforming sales as a result of strong exports to Latin America and Asia, rising Japanese "transplant" output, and Japanese imports losing ground to revitalised European manufacturers.

But exports are coming under pressure as local output builds up in developing countries and so west Europe's production will lag behind sales this year and next.

DRI sees marginal growth - of just 0.3 per cent - for North America this year, with car sales continuing to decline and those of light trucks rising slightly. However, "by 1997 the US light vehicle market will be in recovery mode", with sales rising from 16.5m in 1997 to 18.1m by the year 2001.

Production will be slower to benefit as the region is over-stocked with vehicles. Substantial structural change is also forecast for west Europe's markets, with sales of mini or "city" cars, such as Fiat's Cinquecento, predicted to soar to 1.5m units by the turn of the century.

DRI also predicts a high-risk period for the proliferating number of multi-purpose vehicles in Europe's market. It expects total demand to peak at 450,000 units a year, after achieving 60 per cent growth this year to 350,000 units. Manufacturers have been gearing production strategies to 550,000-600,000 a year.

World Car Industry Forecast Report, DRI/McGraw-Hill, 1 Hartfield Road, London SW19 3RU. £3.800

Emerging nations power world vehicle sales

By John Griffiths in London

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FORECASTS OF NEW VEHICLE SALES* (000s)

	1995	1996	1997	2001
World total	47,709	49,486	51,582	58,503
North America**	16,030	16,193	16,462	16,078
Japan	6,670	6,900	7,208	7,031
Western Europe	13,251	13,778	14,221	16,104
Germany	3,484	3,568	3,666	4,091
France	2,285	2,292	2,340	2,600
UK	2,124	2,211	2,298	2,390
Italy	1,822	1,873	1,948	2,389
Spain	990	1,073	1,146	1,208

*Cars and light trucks **US, Canada and Mexico Source: DRI/McGraw-Hill

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HK authorities smash CD piracy syndicate

By John Ridding in Hong Kong

Hong Kong customs agents yesterday claimed a victory in their war on copyright piracy by smashing a cross-border syndicate and seizing a record haul of counterfeit compact discs.

The move comes amid an escalating row between the US and China over the protection of intellectual property rights. The US has given China until Wednesday to demonstrate enforcement of a 1995 agreement aimed at stamping out piracy of US products

and has threatened sanctions on \$3bn-worth of Chinese imports. Washington is also concerned about Hong Kong's role as a distribution centre for counterfeit goods from China. Its annual Special 301 report on US trade action, published earlier this month, noted the problem was growing and urged Hong Kong to act decisively against retailers, wholesalers and investors involved in counterfeit products.

However, the report did not include the territory in the most serious 301 categories. The US said it would review Hong Kong's position on copyright protection in six months.

Customs officials claimed yesterday's actions demonstrated Hong Kong's commitment to tackling the problem of cross-border counterfeit trade. They said they had seized 60,000 pirated copies of video and computer compact discs worth about HK\$3m (US\$390,000).

According to Mr Calvin Leung, acting head of Hong Kong's intellectual property investigation bureau, 20,000 counterfeit compact discs - declared as textiles - were seized as they were being smuggled into Hong Kong by truck from China. A further 40,000 pirated CDs were seized at a warehouse in the territory. Three arrests were made, and the customs office said it had sufficient information to locate the syndicate's mastermind.

Excluding yesterday's seizures, the Hong Kong customs department said it had "neutralised" 16 pirate disc outlets so far this year and had made 33 arrests. The value of the 84,000 counterfeit products seized since the beginning of January is estimated at HK\$4.8m.

Referring to US concerns on the colony's role as a distribution centre for pirated goods, Hong Kong officials cited several steps that are being implemented. Maximum penalties for copyright pirates were increased last year, while the territory's legislature last month passed provisions which broadened the definition of intellectual property rights offences.

WORLD TRADE NEWS DIGEST

Airlines win US immunity

United Airlines of the US and Lufthansa of Germany yesterday said they had received preliminary anti-trust immunity from the US department of transportation, which would allow them to co-ordinate their operations more closely. The two airlines said they expected to receive final approval from the department later this month.

The announcement follows the conclusion of an "open skies" agreement between Germany and the US earlier this year, lifting restrictions on flights between the two countries. Lufthansa and United said they would co-ordinate their routes, schedules, advertising and marketing more closely.

Washington has been pressing for open skies accords with EU members, holding out the promise of anti-trust immunity to airlines from countries with which it reaches agreement. Germany was the first large EU country to conclude an open skies deal. The United and Lufthansa application for anti-trust immunity was attacked earlier this year by British Airways, BA and USAir, its US partner, do not have such immunity. The British carrier has opposed a US-UK open skies agreement. Michael Skapinker, Aerospace Correspondent

Fresh mission for Unctad

The ninth United Nations Conference on Trade and Development has declared a new mission to champion the interests of developing countries on the world trade agenda.

The conference, which ended at the weekend, was held amid widespread criticism of Unctad's role in the development of world trade policy. Its future mission would be to promote economic policies, "complementing the logic of competition with the logic of solidarity," said Mr Rubens Ricuperio, the organisation's secretary-general.

But little progress was made over the issue of African debt or US concern over compensation for the poorest countries, which had been agreed at the Uruguay Round of trade talks.

Unctad also recognised the link between trade policies and foreign investment for the first time, and resolved to examine options for a multilateral framework on foreign direct investment in countries marginalised by the liberalisation of world trade. Mark Ashurst, Johannesburg

Polish telecoms tender awarded

Ericsson and Siemens have won a tender to supply equipment to a consortium developing a cellular telephone network in Poland. PAP news agency said the two companies would supply base stations, base controllers and other equipment to Polska Telefonia Cyfrowa (PTC), which earlier this year was awarded one of two licences to build a cellular network using the digital GSM system.

PTC earlier said it would invest about \$1bn by the year 2000 to build the network and that it would launch operations in several big cities this year.

PTC's foreign partners are US West and DeTeMobil, part of Deutsche Telekom, which each hold 22.5 per cent stakes. The consortium developing the second GSM network, Polkomtel, picked Nokia last month as its equipment supplier. Poland at present has one cellular telephone operator, Centertel, which uses an older analogue system. Reuters, Warsaw

French crane-maker Caillard, acquired by Rolls-Royce in January, has won two orders in China worth a total of \$9m (£13.7m).

One is for two sets of grabbing ship unloaders for the Yangzhou No 2 power station in Jiangsu province, the other for a bucket wheel stacker reclaimer and conveying system for the Luohuang power plant in Sichuan province. Chris Tightly

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NEWS: INTERNATIONAL

Peres seeking poll support from Israel's Arab parties

By Mark Dennis in Jerusalem

Mr Shimon Peres, Israeli prime minister, yesterday met delegations from Israel's Arab parties in what participants said was a positive effort to shore up vital Arab support in the May 29 general elections.

Peres, he said: "We will do whatever it takes to ensure [Mr Netanyahu] does not get in." Mr Peres's hawkish policies, designed to woo the centrist "floating vote" among Jews, have created dismay and anger among Arabs.

In general, the 450,000 eligible Arab voters overwhelmingly support Mr Peres and his peace policies. One poll last week said 94 per cent would vote for him.

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Mideast peace still strategic objective, say leaders

By James Whittington in Cairo

The leaders of Egypt, Jordan and the Palestinians agreed in Cairo yesterday to co-ordinate their efforts in support of a regional peace settlement, in a joint statement they said that despite the recent escalation of violence in Lebanon and Israel, peace remained a "strategic objective".

which has been due to take place since February, comes three days after separate talks between Mr Mubarak and King Hussein in Cairo which are believed to have helped calm some of the tension between Jordan and Mr Arafat.

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A two-tier infobahn

Uneven technological growth may split the world into haves and have-nots, reports Paul Taylor

Ministers from 42 countries, including the Group of Seven leading industrial nations and 33 developing countries, meet in South Africa today to try to resolve concerns that uneven technological growth could lead to a two-tier world of information "haves" and "have-nots".

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Internet users 'likely to reach 500m by 2000'

By Paul Taylor in Paris

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INTERNATIONAL NEWS DIGEST

Crash raises air safety fears

The crash of a ValuJet Airlines DC-9 aircraft in the Florida Everglades on Saturday has raised questions over safety at the discount airline, which is already being investigated by the Federal Aviation Administration.

Private-sector Uganda foreseen

President Yoweri Museveni hopes that in his new five-year term the private sector will dominate Uganda and a large number of Ugandans will own stocks.

Accounting standards backed

Nearly 100 multinational companies and other organisations have made financial contributions in 1995 to help forge a set of accounting standards for use on the world's leading stock exchanges.

Atlantic declaration signed

Leading conservative figures from the US and Europe yesterday signed a Declaration of Atlantic Principles aimed at boosting political, security, trade and cultural ties across the Atlantic to counter "isolationism and introspection" in the aftermath of the collapse of communism.

INTERNATIONAL PRESS REVIEW

Euphoria less than universal

SOUTH AFRICA

By Roger Matthews

South Africa grew up quickly last week. On Wednesday, President Nelson Mandela presented the nation with its birth certificate, in the form of a new constitution.

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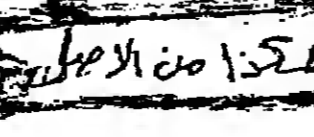
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CONTRACTS & TENDERS

REPUBLIC OF COTE D'IVOIRE PRIME MINISTER'S OFFICE MINISTRY OF AGRICULTURE PRIVATISATION COMMITTEE PRIVATISATION OF OIL PALM PLANTATIONS OF PALMINDUSTRIE INTERNATIONAL CALL FOR TENDER

The Government of Côte d'Ivoire, as part of its privatisation policy, announces the launch of an International Call for Tender for the privatisation of 5 groups of oil palm plantations ("E.A.1") exceeding over a total of 55,956 ha and including 14 oil mills.



Opinion 150

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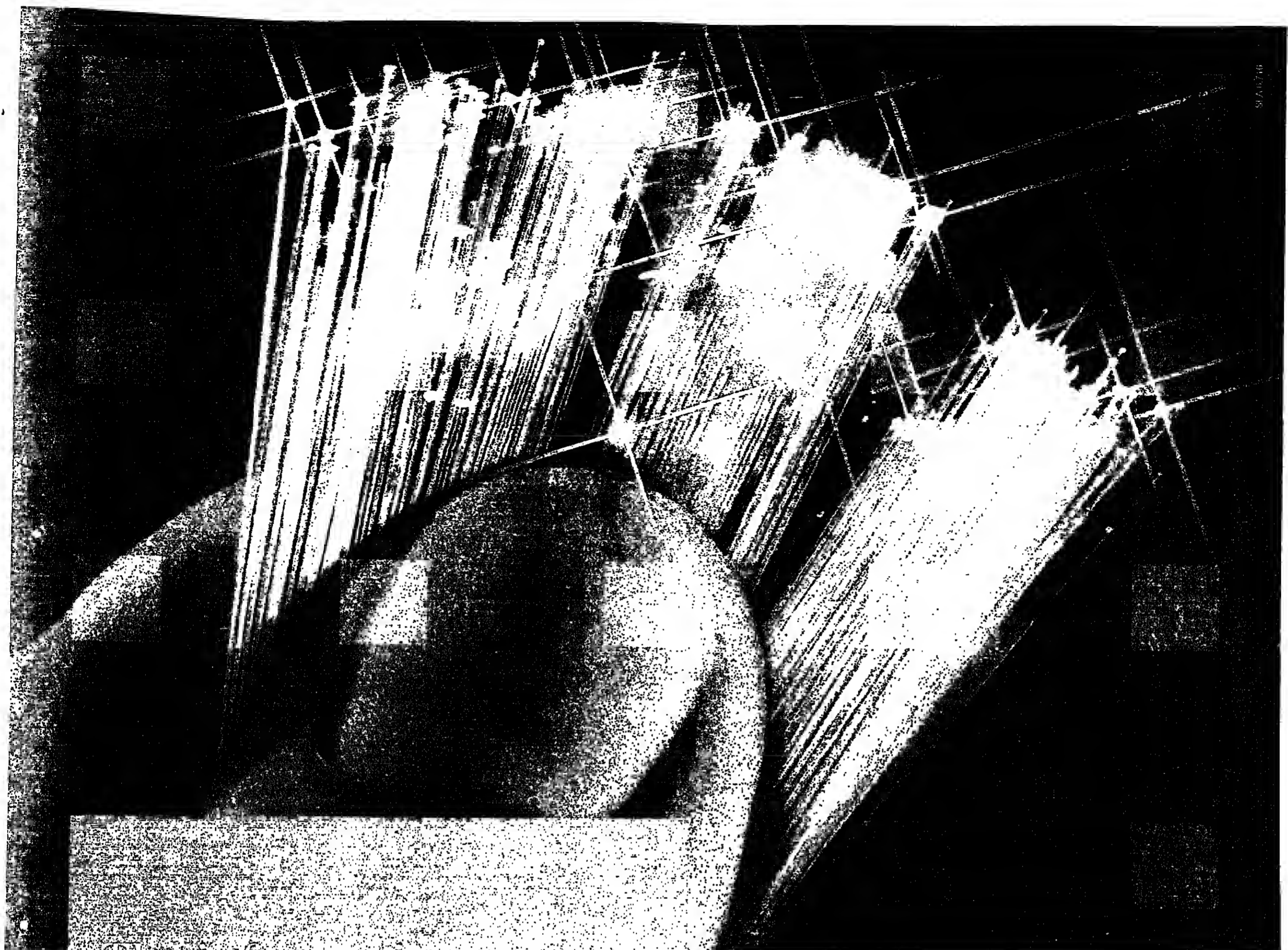
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The information society
Journey here

Deutsche Telekom is the undisputed world leader in building information super-highways. Indeed, we have already laid 100,000 kilometres of fibre optics cable in Germany alone. It's the most closely-knit fibre optics network in the world - and all Germany's major economic centres have been linked to it since 1993. We're aiming to be the first company to bring this highly advanced technology down to street level, too. Our initial target is 1.5 million German home connections, many of which are already up and running.

Laying the foundations for the information society.

Deutsche Telekom also leads the way in ISDN. Thanks to us, the system is better developed in Germany than anywhere else. Virtually every business customer can now be connected to the network and tap in to the new information society via a multimedia PC. We're pushing ahead with cable television technology, too. 24 million German households - a full 65% of the market - are wired up and waiting to access multimedia via their TV screens. Making Germany the world's biggest domestic target market for multimedia services.

The world is talking our language.

GSM is the new standard for digital mobile communications all round the world. It was developed in Europe by Deutsche Telekom and our partner, France Telecom. GSM mobile communications networks have got people talking in more than 80 countries across four continents - and the number is growing all the time. On top of that, we have now opened the way for unlimited mobile communications between Europe and North America for the very first time.

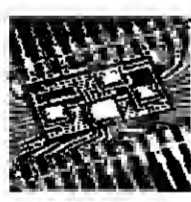
No barriers. No borders.

It won't surprise you to learn that Deutsche Telekom is active in all the world's major economic centres. But we've also placed special emphasis on developing our business closer to home: in Eastern Europe and the CIS states. From Hungary all the way to Kazakhstan, we're either building our own networks or we have already joined forces with the local network operators. You could say it has put us on the map in that part of the world. It has certainly made us the market leader.

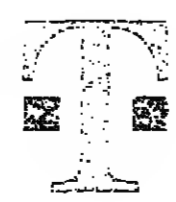
You couldn't be in better company for the future.

Deutsche Telekom is the No. 1 telecommunications company in Europe - and the second largest network operator worldwide. We continue to pioneer new technologies. In fact, since 1990 we have invested DM 135 billion in new telecommunications infrastructures, which makes us the world's single largest investor in this area. We offer multimedia and online services, "smart" networks and a wealth of experience and know-how - all backed by strong business partnerships which span the globe. Many companies now have sophisticated international communications needs. Few companies are as well qualified to satisfy them as Deutsche Telekom.

Our connections move the world.



Thanks to Deutsche Telekom's skills with fibre optics technology, Germany now has one of the most extensive and sophisticated telecommunications infrastructures in the world. It's called T-Net. And it's just one reason why the world is turning to us as the ideal place to join what is fast becoming the global "information society".



Deutsche Telekom



SingTel will be 'leaner and meaner' company

Singapore to speed phones competition

By Our Foreign Staff

Singapore is to open its telephone market to competition in 2000, seven years ahead of schedule and two years after Europe and North America liberalise their own markets.

The move brings Singapore more in line with the telecoms markets of Hong Kong, Japan, Australia and New Zealand, which are either fully liberalised or well on their way. Singapore has been one of the world's most protected telecommunications markets, with the government owning 99 per cent of Singapore Telecom (SingTel), which has a monopoly of local, international and wireless services.

The liberalisation move was announced at the weekend by Mr Mah Bow Tan, minister of communications, who said SingTel would "become a leaner and meaner" company.

"Perhaps more than any country, we depend on the efficiency of our infrastructure, especially telecommunications, to attract high-quality investments. As a business hub we

must keep pace with technology, and offer telecommunications services which are as comprehensive, as efficient and competitive as possible," Mr Mah said.

Singaporeans spend more on telecommunications services than many other nationalities, adding to SingTel's considerable profits.

SingTel, which is the largest listed company on the Singapore Stock Exchange, produced pre-tax profits of US\$1.26bn last year. International calls accounted for just under half of the total but the company has seen its operating margins squeezed following a series of international direct-dial rate cuts over the past two years.

SingTel has made considerable investments in a series of ventures worldwide. These span interests as diverse as cable TV in Stockholm and cellular services in Suzhou, China. In Asia its strategy has been to snap up service licences as they surface, operating as a partner in joint ventures with local companies. In Europe it has taken direct

equity stakes. The company has 28 investments in nine countries.

It will face its first test of domestic competition next May when a new cellular operator, MobileOne, launches the first alternative to SingTel services in cellular phones and paging. MobileOne is a joint venture between the local Keppel Group, Singapore Press Holdings, Cable and Wireless and Hongkong Telecom. It plans a two-pronged assault on the business and residential markets by launching two simultaneous cellular networks.

Cellular phones and pagers have been highly popular in Singapore, and even with one of the highest penetration rates in the region SingTel's mobile unit, Mobilelink, was still attracting subscribers at a rate of 8,000 a month last year.

SingTel has also been involved with government plans to build an information technology network to link homes, offices, schools and factories across Singapore and to provide access to sites elsewhere in the world.

Japan slow to tackle sex harassment

Slence among Japanese businessmen over the Mitsubishi Motors sexual harassment case in the US was broken last week by Mr Jiro Nemoto, chairman of the Japan Federation of Employers Associations, a leading business lobby.

"It is a shame for Japan," said Mr Nemoto, who is chairman of Nippon Yusen, a shipping company which also belongs to the powerful Mitsubishi corporate grouping.

Unlike the western media, Japanese newspapers and television networks have offered virtually no analysis of the Mitsubishi case. Much of the news coverage was sympathetic, as if the carmaker was unfairly caught up in US hysteria.

Even Mr Nemoto's words seemed more critical of Mitsubishi's tactical error in banding the problem than the alleged harassment. "In the US, sexual harassment is in some ways more serious than layoffs," he said.

Indeed, the Mitsubishi case seems to have hardly caused salarymen, as male office workers are called, to rethink their attitudes towards sexual harassment - *seku hara* in borrowed Japanese.

"Japanese companies do not treat women as proper workers and they do not care about sexual harassment," said Ms

Emiko Terazono examines the reluctance of domestic businesses to confront an issue which is typically seen as a 'foreign problem'

Femin, a magazine published by the Women's Democratic Club, a rights group.

Many leading manufacturing and financial companies do not have internal rules outlawing such conduct and fail to provide training for employees or help for female workers. Even Hooda, the car manufacturer, which regards itself as an international group, said: "We leave it to each person's common sense."

In a culture where anyone who disrupts the group is quietly sidelined, and where litigation over civil rights is rare, "office ladies," as female employees with menial jobs are referred to, are often helpless.

According to a survey taken by the prime minister's office last year, 41.3 per cent of the women polled said they had been sexually harassed. Although some women are turning to the courts, with about 10 cases filed, most incidents where female employees are sacked or disciplined because they complained about sexual harassment do not surface.

One woman won a court case against her employer in 1992.

About 60 women staged a weekend demonstration outside a dealership of Japan's Mitsubishi Motors in a Washington suburb to protest against alleged sexual harassment at a Mitsubishi subsidiary's plant in Illinois, Kyodo reports.

Members of the National Organisation for Women marched outside the dealership carrying signs reading "Mitsubishi: Hands off women" and "Stop harassment now". A US agency earlier filed a suit against the subsidiary on behalf of more than 500 female employees who claimed they were sexually harassed at the plant.

but since then employers' concerns have been superseded by labour problems stemming from the recession. According to Kyoei Fire Insurance, which offers consulting services on sexual harassment, 30-40 companies asked it to run seminars on the issue in 1992 and 1993 but these requests have since evaporated.

The recent decline in job

availability, which has been felt worst by female university graduates, has boosted the number of incidents involving sexual harassment during corporate interviews. The labour ministry has launched investigations into claims that students have been told to come to interviews in mini-skirts, with some being refused jobs because of their physical appearance.

Sexual harassment at Japanese companies stemmed from the underlying corporate sexism which was deep-rooted in Japan, said Ms Makita. Traditional chauvinistic attitudes led to a lack of status for women in the workplace. The counter-argument often given by Japanese men is that housewives control the household, including the purse strings.

Japanese law does not protect women's rights in the office. The passage of an equal employment opportunity law in 1986 was seen as a breakthrough in women's advancement in the workplace but, after strong opposition from leading companies and the ministry of international trade

and industry, the labour ministry was forced to leave punitive measures against companies which breached the law, thus making it impossible for the law to be enforced.

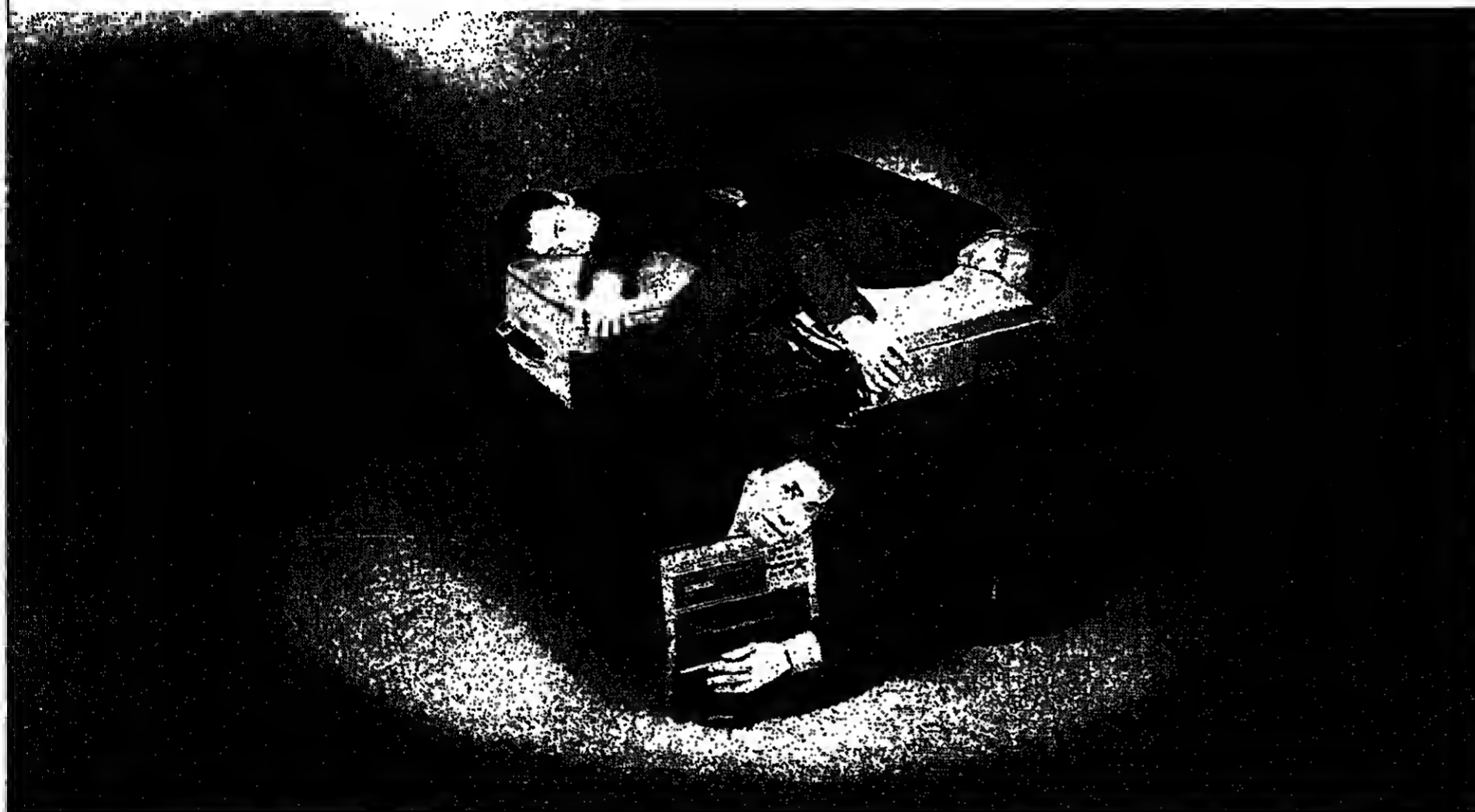
No law exists against sexual harassment itself, and the labour ministry points out that women who take legal action do so under the criminal law of slander or public indecency.

The increasing number of sexual harassment cases involving Japanese companies' international operations comes against such a background. "They're still at the bottom of the learning curve," said Mr David Bong, who heads the Tokyo office of Kroll Associates, a US risk management consultant.

"Companies need to create internal rules banning sexual harassment and also put in a fair and impartial system where women can report their problems and have them dealt with," he said.

Some companies have started, including the US arm of Mitsubishi Corp, the trading company at the centre of the Mitsubishi group. Last month it issued a statement outlining "sexual harassment in any form as unlawful, inappropriate and offensive". But like most Japanese companies which regard this as a "foreign problem", the parent company does not have similar rules for its operations in Japan.

Michael Wong had the urge to be compacted.



Michael Wong of Creative Pacific had a vision. A computer work station that squeezed component space down to nothing while, at the same time, increasing productivity.

So he went to Taiwan where an interesting company, Plustek, showed him its newest idea: a color fax machine, color photo copier, scanner and OCR, all designed in a one-button unit no larger than a shoe box.

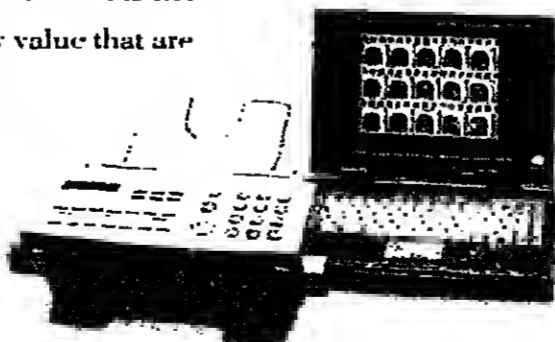
Creative Pacific decided to sell it in Australia, but in 30 other countries it is marketed as the Scanfx, the world's most complete multi-function scanner.

Scanfx is a perfect example why companies today like IBM, Hewlett Packard, Apple Computer and AT&T are heading for Taiwan. The attraction for them is INNOVALUE: innovation in design and manufacturing techniques which gives added-value to leading edge products.

Innovalued produced the first low-cost carbon fiber bicycle. And a new sophisticated PC video and audio editor for less than four hundred dollars.

In Taiwan, you'll find Innovalued in so many product areas. Perhaps yours.

If you're interested, reach us on the Internet. It is not just products, but ideas and especially value that are VERY WELL MADE IN TAIWAN.



TAIWAN.
The Marketplace
for Innovalued™

Internet <http://www.tptaiwan.org.tw>

Plustek's versatile Scanfx workhorse occupies very little space next to another National Award winner, Twinhead's Slim Note-386CD computer.

Investment in Europe begins to rise again

By Stefan Wagstyl, Industrial Editor

Japanese companies' appetite for investment in Europe is rising for the first time in six years, according to figures published by the Japan External Trade Organisation.

The number of Japanese companies setting up new operations in western Europe rose last year for the first time since 1989; 36 manufacturers set up operations, taking the total to 727.

This is a sharp increase from 19 new companies in 1994 and 26 in 1993. While the total is well short of the peak of 88 new companies recorded in 1989, when the Japanese economy was booming, the increase suggests Japanese companies' investment plans are recovering from the impact of the recession of the early 1990s.

Companies with existing European operations are also significantly more enthusiastic than a year ago about investment plans. More than three quarters (76.6 per cent) plan to invest in the next two years, compared with 55 per cent in 1995, says Jetro. Its survey covered 437 Japanese companies in EU countries, Switzerland, Norway and Iceland.

The UK, the long-standing favoured destination for Japanese investors, remains the most attractive place to invest in production plants for 41.9 per cent of those surveyed. But eastern European countries are gaining ground, with 23.6 per cent of companies putting the Czech Republic or Slovakia at the top of their list, and 16.2 per cent naming Poland.

Jetro says: "The countries of central and eastern Europe which are seeking EU membership are seen not only as export markets and as a source of supply but also as potential production bases." More than 80 per cent of those polled forecast that business with eastern Europe would increase.

The survey finds Japanese companies are committed to local purchasing, with more than half buying at least 70 per cent of parts and raw materials locally. The strength of the yen is encouraging cuts in imports from Japan. But imports from other Asian countries are growing, as are imports from east Europe.

Of the 727 Japanese companies in western Europe, 215 are in the UK, more than double the totals for the next two countries, France and Germany, which have 109 and 106 respectively.

ASIA-PACIFIC NEWS DIGEST

Thai cabinet change imminent

Changes in Thailand's cabinet are imminent after the country's seven-party coalition government survived a difficult no-confidence motion at the weekend, political party leaders say. Despite a two-day barrage of opposition allegations of corruption, all 10 ministers targeted in the motion won overwhelmingly in the 391-seat parliament, where forces led by Prime Minister Banharn Silpa-archa hold a 75-seat majority.

But some ministers, particularly Mr Suchart Tancharoen, deputy interior minister, and Mr Surkiat Sathirathai, finance minister, defended themselves poorly. Coalition party leaders claim. One important coalition partner, the Pahnng Dharma party, failed to vote for Mr Suchart, although the party is likely to remain in the coalition as long as he is removed from the cabinet. *Ted Braddock, Bangkok*

Taipei eyes offshore zones

Taiwan has a long-term plan to establish 100 industrial zones overseas, mostly in developing Asian and central American countries, according to the economics ministry. In the next year the government will focus on 10 zones, to be located in Guatemala, Nicaragua, Costa Rica, El Salvador, Honduras, India, Indonesia, the Philippines and two in Vietnam.

Mr Chou Yen, director-general of the ministry's industrial development and investment centre, did not specify the size of the zones or the amount of investment involved. The plan is intended to help Taiwanese companies move manufacturing operations offshore and to diversify their investments. Rising production and wage costs at home have encouraged Taiwanese companies to transfer factories overseas, particularly to China. The plan is also in part a diplomatic initiative to boost Taipei's foreign links, especially with countries "friendly" towards it. *Laura Tyson, Taipei*

Imran Khan renews attack

Mr Imran Khan, Pakistan's former cricketer turned politician, today begins a visit to Karachi - his first since formally announcing he would enter politics. Mr Khan plans to meet lawyers, businessmen, journalists and local community leaders in an effort to gather support for his new "movement for justice", which he plans to convert to a political party.

Mr Khan launched a fresh attack on Pakistani politicians at the weekend, calling them corrupt and ineffective. He also warned that social injustice could promote Islamic fundamentalism in Pakistan. *Forhan Bokhori, Islamabad*

السنة من الالط

Sinn Féin rekindles ceasefire hopes

By Robert Peston, Political Editor

There were tentative signs yesterday that the IRA is inching towards renewing its ceasefire, as Sir Martin McGuinness, one of Sinn Féin's most influential leaders, said that the nationalist paramilitary group was "open to persuasion".

Mr McGuinness, chief negotiator of Sinn Féin, the IRA's political wing, said he wanted a cessation of violence. "I want the ceasefire as desperately as anybody", he said.

His statement was regarded

as significant by the UK and Irish governments, following his recent reticence on the prospects for peace.

In a weekend television interview, Mr McGuinness said he was "passionately of the opinion" that peace negotiations, scheduled to begin on June 10, "must take place in a peaceful atmosphere and that means securing a second IRA ceasefire".

The biggest obstacle to ending the violence remained the issue of decommissioning IRA arms, he said. Mr McGuinness said it would be "absolutely

disastrous" if the British government and Ulster Unionist party in Northern Ireland insisted that removing arms from Northern Ireland terrorists was a precondition to Sinn Féin's involvement in other strands of the talks.

He was encouraged by the suggestion of the Irish deputy prime minister, Mr Dick Spring, that decommissioning discussions could proceed to parallel with other elements in the all party peace negotiations.

A senior British official said

that Mr Major was not strongly opposed to Mr Spring's proposal. However, the Ulster Unionists want decommissioning to remain at the heart of all party talks and not hived off into a separate strand.

Mr McGuinness also called for the all-party talks to have a finite time limit of between six and nine months. "If real and meaningful peace negotiations are to take place they need to take place within an agreed time frame".

The Irish government yesterday stepped up pressure for a resumption of the IRA cease-

fire, citing Britain's repatriation of the jailed terrorist, Patrick Kelly. Mr Kelly, a victim of skin cancer serving a 25-year sentence for conspiracy to bomb and attempted murder, is expected to be switched to a jail closer to his daughter's home this week.

The Irish justice minister, Ms Nora Owen, said: "I welcome the decision because it had become one that seemed to be linked to the whole peace process... this move to transfer Paddy Kelly is significant with regard to the bringing back of the ceasefire".

Pressure for action over beef ban grows

Financial Times Reporters

The cabinet of the governing Conservative party is concerned that it will be unable to resist pressure from its backbenchers for wide-ranging retaliatory action against the European Union in the absence of progress this week towards a limited lifting of the EU ban on British beef exports.

The EU's standing veterinary committee is due on Wednesday to consider a plan, mapped out last week by Mr Franz Fischler, the EU commissioner for agriculture, under which Britain would impose tougher controls on the manufacture of gelatin and tallow as a precondition to the EU lifting the embargo on these products.

A senior British minister involved in the negotiations said that the decision could go either way. He was confident that the French government would back a lifting of the ban on these products, but conceded that the Germans would not be won around to the British position.

The outcome would therefore almost certainly depend on the positions adopted by the Dutch and Belgians, the minister added.

Mr Malcolm Rifkind, the UK foreign secretary, yesterday said it would be "very perverse" for any government to obstruct the lifting of the ban, which was wholly "unjustified". The minister said the government would do whatever was within its power to resolve the problem.

Ministers are considering disrupting other areas of EU decision-making by way of retaliation. One possibility would be for the UK to boycott the current intergovernmental conference on reforming the EU's institutions.

The adoption of such an "empty chair" policy would undermine the ICG, since decisions in this area require unanimity. Another option would be to veto decisions in other areas requiring a full consensus rather than a majority vote.

UK NEWS DIGEST

New powers for export licensing

A powerful cross-departmental committee to vet sensitive applications for export licences is being considered by the government as the main plank of its response to Sir Richard Scott's damning report on arms sales to Iraq. The committee would combine officials of the Department for Trade and Industry, Customs & Excise and the security services, and serve as an appeals tribunal for companies whose export papers had been rejected by the DTI.

Whitehall departments are conducting several reviews of export procedures, the confidentiality of relations between ministers and civil servants, and dissemination of intelligence information. These are among the areas singled out for reform by Sir Richard's report, which was issued last February after three years' investigation following the collapse of the trial of three directors of the Matrix Churchill company charged with breaching export regulations. The case was abandoned after it was disclosed that the company had exported sensitive defence-related equipment to Iraq with government connivance.

John Kampfner and Jimmy Burns, London

State revenue forecast 'mistaken'

Mr Kenneth Clarke, the chancellor of the exchequer, conceded yesterday that the Treasury had made a "mistake" in its forecasts for this year's government revenues, as senior members of the governing Conservative party reacted angrily to the chancellor's warnings that he may not be able to deliver significant tax cuts to the November Budget.

He also said his forecast for 3 per cent economic growth this year was "on the high side", following disappointing first-quarter figures. However, he insisted it was premature to revise the growth forecast downward. The chancellor said that his scope for cutting taxes had been severely limited by a shortfall in revenues, which meant that borrowing was running well above the forecast of £22.5bn (\$34.2bn) for the year.

Robert Peston, Political Editor

Record turnover for gilts market

Turnover in UK government bonds, or gilts, has reached record levels following the introduction this year of the new open market in gilt sale and repurchase agreements, or gilt repos. The repo market, which started operation in January, is part of the wide ranging modernisation of the gilt market, instituted by the Treasury and the Bank of England aimed at cutting the government's borrowing costs. Turnover in gilts in the first quarter of 1996 reached an average daily value of \$3.1bn (\$12.3bn) the highest ever quarterly figure, the Bank of England said. This compares with an average daily value of \$2.2bn for the whole of 1995.

Graham Bouley, Economics Staff

Import levels soar

British manufacturers are losing market share, a business study says today. A report by the Chartered Institute for Marketing says that UK manufacturing exports last year grew about 5 per cent less than the market for UK exports.

The figures, which are derived from calculations by the Organisation for Economic Co-operation and Development, show that this gap was larger than any other major industrialised country. The group also points out that imports into the UK have recently soared.

Imports from newly industrialised economies in the Far East, such as Thailand, have risen 33 per cent in the past three months, while imports from the US have surged 23 per cent. Part of this surge may reflect the increase in factories owned by overseas companies assembling components from the Far East.

Gillian Tett, Economics Correspondent

Investors agree to reform of new share issues

By Norma Cohen

Leading UK shareholders are prepared to accept lower dividends from companies which raise capital by issuing new shares to existing investors at a discount to market prices.

The move is a significant concession to the growing group of British companies and government officials which argues that the cost of raising equity capital for UK companies is too high when compared with that of overseas competitors.

However, MAM and other shareholders say pre-emptive rights - which give existing investors the right of first refusal over any new offering of shares - must be allowed to remain in place. Merchant bankers which advise companies on how to raise fresh cash have argued that as a practical matter, fees and discounts cannot be negotiated on each new offering of shares which goes to market.

In a series of interviews with the Financial Times, leading shareholder organisations and fund managers have acknowledged that current practices probably mean that many companies needlessly overpay when selling new shares.

Shareholders and their trade associations also say that they are prepared to negotiate with

companies individually on the fees to be earned for their participation in the distribution of new share issues. At present, fees for underwriting are fixed at 2 per cent of the sum raised, regardless of the risks or prevailing market conditions.

The Bank of England, in a paper published today in its Quarterly Bulletin, adds fuel to the debate by concluding that prices currently charged for raising equity capital are probably too high.

The Association of British Insurers said it acknowledged that if companies were forced to maintain dividends on cheaper shares, they had in effect raised their dividend.

"Where there is a rights issue, ABI members are perfectly happy to see the dividend policy reflect the bonus element in the share price," said Mr Richard Reagan, to the ABI's investment committee. Companies which follow such a policy need not fear that they will lose the support of their shareholders, he said.

Mercury Asset Management, the UK's largest independent fund management company, said it saw no reason why companies should not adjust their dividend downwards to reflect the issuance of cheaper shares.

Lex, Page 18
Share sniping, Page 23

Retailer to vet suppliers over working conditions

By Jenny Luasby

C&A, the retail chain, is about to transform its buying operation in an effort to end the use of sweated labour by some of its thousands of suppliers. The move - prompted by a forthcoming campaign by the charity Oxfam - will put pressure on other retailers to do the same.

At present, town-centre chains have little or no knowledge about the working conditions under which their merchandise is produced. Most clothes sold in Britain are made in developing countries, and pass through several manufacturers before being sold.

Oxfam says the supply chain has allowed abusive labour

practices to proliferate. On May 20 it will launch a campaign targeting other retailers. It will call on the companies to say where their clothes are made, and under what conditions. It has printed thousands of leaflets with protest vouchers for consumers to send to retailers. Oxfam is also pushing for independent monitoring of suppliers, as well as a social clause to be adopted by the World Trade Organisation, allowing trade sanctions.

C&A said its new code of conduct, announced to its buying staff last week, was based on the Oxfam recommendations. The group has set up a new auditing company, Socam, which will be independent of the rest of the group. Over the

next few days, Socam will ask all C&A suppliers for full disclosure of working practices, including worker records and the use of sub-contractors, and for the right to make unannounced inspections. "We know a small percentage are going to refuse," said Mr John Green, C&A's head of corporate affairs, "in which case we very much regret we can no longer do business with them."

Socam will begin its inspections, using several hundred monitors, in Bangladesh, India and Pakistan. It plans to cancel any contract with a supplier which uses child labour, illegal immigrants, forced labour or physical or mental abuse.

Koreans favour Welsh plant

By Roland Adburgham, Wales and West Correspondent

The town of Newport in south Wales has emerged as the frontrunner to win a Korean semiconductor and consumer electronics plant - an investment of more than £1bn (\$1.52bn) creating up to 4,000 jobs.

The plant, planned by LG Electronics, would be Europe's largest investment from South Korea. The move is part of the company's strategy to manufacture in key global markets. An announcement is expected

shortly but it could be delayed for several weeks. Mr David Rowe-Beddoe, the chairman of the Welsh Development Agency, said yesterday: "We have had confirmation at the highest level that no decision [by LG] has been made."

LG - which changed its name from Lucky Goldstar last year - has considered several sites in Wales, but Imperial Park next to the M4 motorway at Newport, is favoured. In March, Newport won a £200m semiconductor plant to be built by the WDA for Newport

Wafer-Fab, a subsidiary of Hong Kong-based QPL. If the LG investment went ahead, the company would qualify for multi-million pound grants from the government.

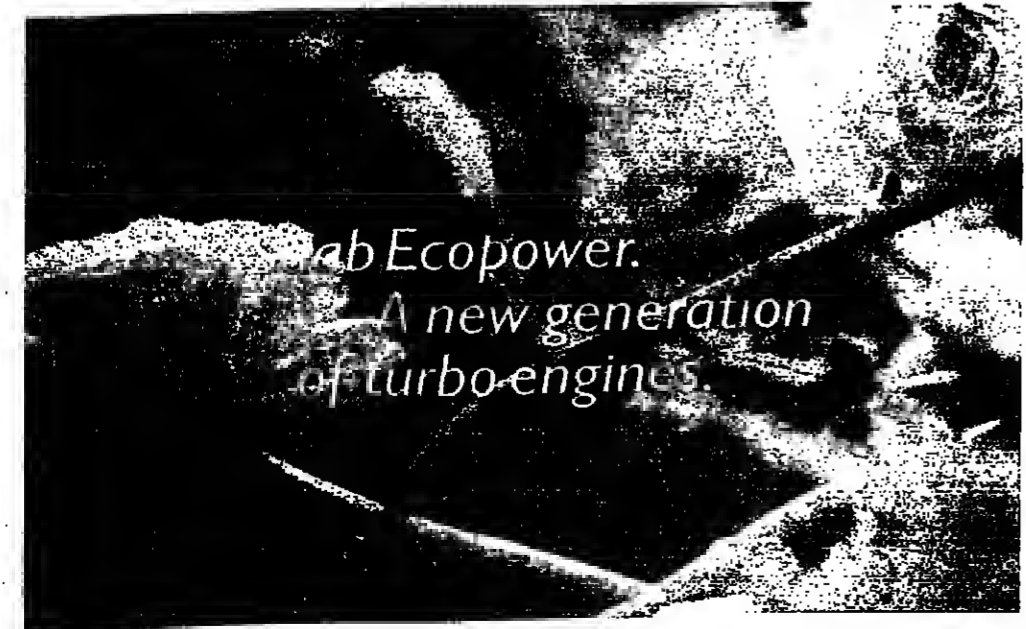
The WDA has had a team dedicated for months to capturing the project. Mr Rowe-Beddoe and Mr William Hague, the Welsh secretary, have both visited Seoul during the negotiations.

Ireland still appears to be an outside possibility for the LG plant as are Scotland and west and north-east England.

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THIS WEEK

Chumminess across the Channel

Apparently Queen Elizabeth only schedules two 'inward' state visits to Britain by foreign leaders a year...

Thatcher having 'the mouth of Marilyn Monroe but the eyes of Joseph Stalin'.

DATELINE Paris: Chirac's early state visit to London signals that Anglo-French relations are in much better shape than is popularly thought, writes David Buchan

for his nuclear tests last year, at a time when most of his European Union partners condemned them.

wartime London to Bosnia. More problematic is whether Chirac will get a chance to extend his chumminess to the British people...

leaders is hard to gauge. It is a cliché to talk of the fractious history between the two countries.

If they are looking for intellectual revenge, free-market minded Britons can take satisfaction from the paradox that the Treaty of Rome...

renewing his Gaullist credentials as he lays a Cross of Lorraine wreath on the de Gaulle memorial in London tomorrow.

But Chirac inherits from de Gaulle an approach to Europe, based on the nation-states, that broadly suits Britain.

PEOPLE

A million dollars could not keep him

UIP's distribution supremo plans to go it alone, says Raymond Snoddy

Michael Williams-Jones, president and chief operating officer of United International Pictures, the company which distributes the films of three Hollywood studios outside North America...

GoldenEye and Rainman from MGM/UA, Ghost from Paramount and Jurassic Park and Apollo 13 from Universal Pictures.



Williams-Jones: has a 'tough mountain to climb' despite his contacts

already grossed \$178m outside North America. 'Sometimes too much is spelled out today,' he says.

But first they are planning to take six months off on Africa with several cases of books. Their lodge has no electricity or telephone.

NAMES

Palmer highlights Digital's historic Net contribution

Putting his mouth behind his company's money, Bob Palmer, chief executive of Digital Equipment, last week conducted a 'cybercast' on the internet to announce the company's strategy for playing a bigger role in the development of the global computer network...

Internet brand name and developing a range of software products that will piggyback on the success of the search engine.

Chiroscience cheer for chief

John Padfield, chief executive of Chiroscience, has watched the market value of his UK biotechnology company rise smartly in the last three weeks...

Wallis seeks fresh challenge

Stuart Wallis knows what he likes: difficult companies. The former chief executive of Fisons, which fell victim to a \$1.5bn merger bid from Rhône-Poulenc Rover last year...

Robert Chote - Economics Notebook

Reflections on price stickiness

A more competitive environment could alter the way companies set prices

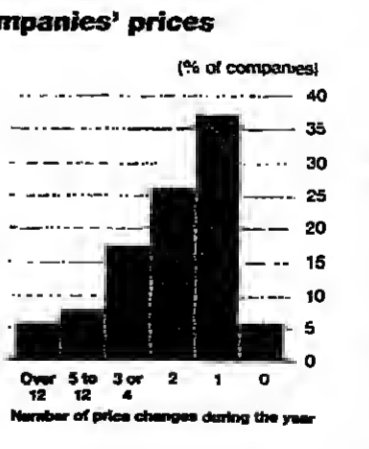


Britain's industrial policy has undergone a subtle shift of late. Ian Lang, the trade and industry secretary, has quietly jettisoned the strategic interventionism favoured by his predecessor...

thought the market would bear. A further 25 per cent said prices were set in relation to their competitors.

The ups and downs of companies' prices

Table with 3 columns: Factor, Rise, Fall. Factors include Material costs, Rival price, Change in demand, etc.



rials' prices or the state of demand were more likely to trigger cuts than rises.

been whittled away in most countries in recent years, perhaps because greater openness to trade has made competition tougher.

increased competition would have a direct, albeit temporary, effect on inflation.

Bulgari advertisement featuring a watch and brand logo.

UK companies set prices? advertisement with contact information for Simon Hall, Mark Walsh and Tony Yates.

Handwritten signature and reference number: 155A 201 11

13/15/96

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FINANCIAL TIMES COMPANIES & MARKETS

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THE FINANCIAL TIMES LIMITED 1996

Monday May 13 1996

Whitbread set to seal licensing deal with Labatt's

Whitbread is close to plugging several gaps in its beer portfolio by securing a long-term UK license for Labatt's, the Canadian brewer.

The deal would add an unwelcome complexity to the delicate negotiations by Bass to buy Carlsberg-Tetley, the joint venture between the Danish brewer and Allied Domecq, to make it the largest UK brewer.

Labatt has a sales and marketing company in the UK which contracts most of the brewing of some 500,000 hectolitres of beer a year to Carlsberg-Tetley.

If Whitbread gets the license it will want to brew the beer. Thus, it will either buy out the contract or let it run its course. Either way, the eventual loss of volume would likely lead Bass to reduce its offer for Carlsberg-Tetley.

Bass faces an uphill struggle to win regulatory approval for the acquisition because the merged group would have more than 85 per cent of the market. Losing Labatt's would not ease the way because competition regulators appear not to count contract volume towards market share.

With the license, Whitbread will gain its first "ice" beer and its first bottled US beer, Rolling Rock. Its market share will rise by about one percentage point to about 15.6 per cent, industry executives said.

This will give Whitbread additional volume but with a North American slant which doesn't affect its large sales of Heineken and Stella Artois, an analyst said. Valuing the deal was difficult, a competitor said, without knowing the exact terms of up-front payments and royalties.

US drilling rivals court Transocean

A transatlantic bid battle for the hand of Norway's Transocean Drilling, one of the world's leading offshore drilling companies, is set to continue this week despite a recommendation from the Oslo-based target that its shareholders accept a \$1.6bn merger offer from Sonat Offshore Drilling of the US.

Norwegian group accepts Sonat offer despite higher counter bid from Reading & Bates and plea by main shareholder to reconsider

Sonat offer despite a revised counter bid by Reading & Bates, another US driller, that raised the value of its rival suit from \$1.51bn to \$1.56bn.

Transocean took the decision despite an appeal from Tiger Management, a hedge fund that is its biggest shareholder with a 22 per cent stake, urging the company to take another look at the Reading & Bates offer.

higher offer would woo other big shareholders. But Transocean, whose chairman Mr Kristian Siem controls a 5 per cent stake, said it had decided to go ahead with a merger with Sonat because it believed such a move offered better future earnings, financial strength and share price strength.

would merge under the ownership of a holding company called Transocean. The Norwegian company also preferred the structure of the Sonat offer, which offered 20 per cent in cash and the balance in Sonat shares.

Tenneco targets growth in Europe

Tenneco, the acquisitive US conglomerate, has recruited Sir David Plastow, the former chairman of Inchcape and chief executive of Vickers, to help the company expand its automotive interests in Europe.

Plans to expand Tenneco's automotive operations follow its announcement six weeks ago that it was demerging its Newport News shipyard - the largest naval shipbuilders in the US - and its \$1.9bn energy business.

The demerger will leave Tenneco with two main divisions, packaging and auto components. Together, those businesses contributed 53 per cent of the group's profits last year.

neco could consider "sizeable" bolt-ons in the sector, particularly following the sale or demerger of its energy division. That business has a value free of debt of about \$2bn.

set up low-cost manufacturing operations. It will be the second time he has served on the Tenneco board. He was previously a non-executive director from 1985 to 1992, when he stepped down following his appointment at Inchcape.



Sir David Plastow: recruited

Bank is reducing its reliance on derivatives, writes Richard Waters

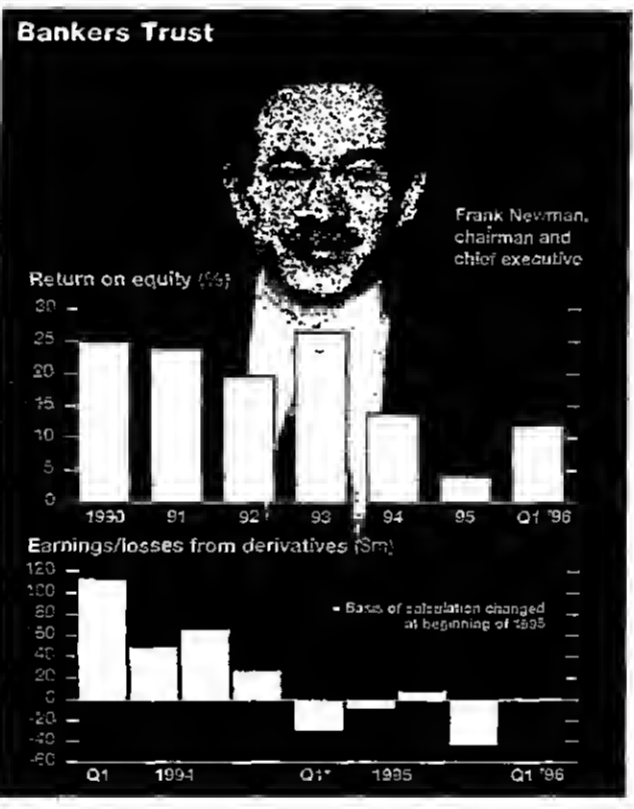
Putting back the trust into Bankers Trust

When Bankers Trust agreed last week to swallow \$150m of derivatives losses for a customer, Procter & Gamble, it marked the end of an episode that the New York bank - and the derivatives industry at large - will be relieved to put behind it.

The argument over two leveraged interest rate swaps had become an ugly advertisement for a business which had become one of the most profitable in the financial industry. The instruments bought by P&G, promoted as forms of protection against sharp interest rate movements, turned out to be speculative bets.

That helped draw attention to the fact that derivatives like these fall largely outside the scope of regulation: the new frontiers of finance turned out to be as lawless as the Wild West.

The P&G swaps were also a reminder of a market upheaval that most banks and their customers would rather forget. In early 1994, when the Federal Reserve began to raise interest rates, many of the assumptions underlying the risk management models on which derivatives are based proved deeply flawed.



profits came from what it calls "client risk management" - basically, selling derivatives; in 1994, it was more than 40 per cent. Since then, with the stigma of the P&G and other disputes hanging over it, many customers have been less enthusiastic about doing business with the bank.

The new frontiers of finance turned out to be as lawless as the Wild West

of court, Bankers Trust helped to shelve a debate on this issue. Mr Dan Cunningham, a partner at Cravath Swain & Moore, a New York law firm which advises a derivatives industry trade group, accepts these are matters that still need to be resolved - though the industry would rather it were left to Congress than the courts.

often signalled, not a downturn, but a new surge. The selling signalled by institutions may be already discounted by the market or may even have taken place already. Mr Mark Brown, global strategist at ABN-Amro Hoare Govett, said of sellers' tactics: "You do it and then you tell."

STATISTICS table with columns for various financial metrics and their values.

COMPANIES IN THIS ISSUE table listing various companies and their page numbers.

GPA Group plc advertisement featuring Schrodgers logo, restructuring details for October 1993, February 1995, and March 1996.

INSIDE Olivetti

Olivetti, the Italian computer group, is to float Lexikon, its office equipment subsidiary, on New York's Nasdaq stock exchange at the end of this year or the beginning of next year. Page 21

Viag, the German conglomerate, said sales at its aluminium, packaging and steel trading activities had been badly affected by the economic slowdown in Germany. It expected to report 1996 net profits of DM1bn (\$65m), in line with last year's underlying net profits. Page 22

Lloyd's A merger deal will create the largest underwriting syndicate at Lloyd's of London. Murray Lawrence, one of the largest managing agencies running syndicates at Lloyd's, plans to merge seven existing syndicates under a giant "umbrella". Page 20

Fund Management Last week the Confederation of British Industry said it wanted to open talks with institutional shareholders about making the system of pre-emption rights more flexible. Companies have often grumbled that the system - whereby existing shareholders have right of first refusal when a new slug of a company's shares come to market - raises their cost of capital. Page 23

Faces Mr Maurice Dwek, once the scourge of the Swiss bond market cartel with his Soditic investment bank, is to ride again. At one point Soditic was Switzerland's fourth largest issuing house but its name disappeared when it was taken over in 1990 by SG Warburg, which in turn was absorbed into Swiss Bank Corporation last year. The new group will operate in trade finance, loan syndication, leasing, merger advice and some equity dealing and placements. Page 23

Fund managers switch out of UK equities

The UK fund managers which have underpinned the stock market's five-year bull run have disclosed in a survey published today that they intend to switch heavily out of UK equities. The institutions, which were net buyers of UK shares until last October, have turned more bearish than at any time this decade, according to the monthly poll conducted by Gallup for Merrill Lynch, the investment bank.

A balance of 35 per cent of fund managers planned to reduce their exposure to UK equities after a sharp shift in sentiment from a month ago, when sellers outnumbered buyers by a margin of 21 per cent. UK pension funds, which had 58.2 per cent of their holdings in UK equities a year ago, already say in this month's survey they have reduced that weighting to 55.7 per cent, a relatively rapid shift. The institutions say they are piling into UK property and

index-linked gilts, investments which prosper late to every upswing as commercial rents and prices increase. The growing pessimism comes with the FTSE-100 index stalled below 3800, after rising steadily from the 3000 mark in March 1994. Equity strategists, whose forecasts for the year-end range from 3400 to 4200, provide no consensus on direction. Strategists said fund managers' answers were unreliable and their plans fickle and bearishness by fund managers has

Schrodgers logo and company name

COMPANIES AND FINANCE

Murray Lawrence in Lloyd's merger

By Ralph Atkins, Insurance Correspondent
Consolidation at Lloyd's of London is being accelerated by a merger deal which will create the insurance market's largest underwriting syndicate, backed partly by the new generation of limited liability investors.

Mr Paul Archard, Murray Lawrence managing director, said the merger would put it on a par with a middle ranking UK insurance company.

reflected a worldwide trend towards larger insurance companies offering greater financial security and more efficient use of capital.

threatening profitability, increasing the incentive for consolidation.

Vodafone advertising budget to rise to £20m

By Christopher Price
Vodafone, the UK's biggest mobile telephone group, is to more than double its advertising budget over the next year...

Lucas Pension restructures £3bn portfolio

By Norma Cohen
Lucas Pension Scheme has restructured its £3bn portfolio in the largest such move ever made by a UK pension fund.

some to restructure their portfolios and increase their holdings in UK government gilt while selling equities.

Cellular phone group in flotation

By Patrick Haverson
European Telecom, the Slough-based distributor of cellular telephones and accessories, is expected to be valued at more than £25m when it comes to the stock market next month.

Charterhouse recruits Michael Hephher from BT

By Roger Taylor
Mr Michael Hephher, former managing director at British Telecommunications, has been appointed chief executive of Charterhouse, the investment bank, in a move which will be seen as an impressive catch by Charterhouse.

jointly by Crédit Commercial de France, based in Paris, and Berliner Handels-und Funkfurter Bank, based in Frankfurt.



Michael Hephher: 'extremely excited' about Charterhouse

between Abbey Life and Lloyds Bank, and at BT, he was responsible for a joint venture with US group MCI.

enough to get two organisations to blend together and here we are trying to do it with three.

TR set to win Thornton bid

By Roger Taylor
TR Pacific, the £185m investment trust, is expected to announce today the successful outcome of its £100m recommended bid for Thornton Asian Emerging Markets Investment Trust.

Rodime fight in setback

Rodime, the disc drive pioneer whose main assets are patents on 3½-inch disc drive technology, has received a setback in its US legal battle.

WEEKEND SHARE WATCH

Mr Tiny Rowland, the founder of Lomro, has issued a High Court writ against Mr Dieter Bock, the group's German chief executive, over allegations that Mr Bock failed to pay a £250,000 debt to a Swedish financier.

World Ostrich Farms - one of a number of companies which invited people to buy ostriches - is being proceeded against by the chief city regulator, the Securities and Investment Board.

The High Court writ by Mr Rowland is seen as part of his ongoing battle with Mr Bock, who ousted him as head of Lomro in 1995.

Save & Prosper, the unit trust and investment group owned by merchant bank Robert Fleming, is being investigated by the Investment Management Regulatory Organisation.

Bates Worldwide paid Bungey £728,251

By Jane Martinson
Mr Michael Bungey, head of advertising agency Bates Worldwide, received a total pay package of £728,251 in his first year as a board member of Cordiant.

drawal of the \$400m (£263m) a year Mars account, Cordiant said the package reflected the market price and the role Mr Bungey played.

Advertisement for Bajaj Auto Ltd featuring financial results table and headline 'No great words to describe our performance. Only excellent figures.'

Advertisement for THE KOREA GOLDEN GATE FUND including a convening notice for shareholders.

Advertisement for ESPIRITO SANTO FINANCIAL HOLDING S.A. including an avis de convocation.

Advertisement for RSVP Westminster Limited regarding guaranteed extendible variable rate notes.

Advertisement for RSVP City Limited regarding guaranteed extendible variable rate notes.

Advertisement for LesEchos financial newspaper.

Advertisement for EUROPEAN DEBT MARKETS.

Handwritten Arabic text at the bottom of the page.

COMPANIES AND FINANCE: INTERNATIONAL

Sandvik may try for majority stake in Tampella

By Hugh Carnegie in Stockholm
A heated battle for control of Tampella, the Finnish industrial group, by two Swedish rivals has been stepped up by Sandvik, the Swedish tools and specially steels group, which said it was considering a move to secure a majority stake in the company.

chief executive, said on Friday that the group might increase to more than 50 per cent the group's 26 per cent holding in Tampella, bought last month for SKr500m from Norway's Kvaerner. Previously it had talked of raising its stake to 40 per cent.

Sandvik's purchase of Kvaerner's stake was a big setback for Svedala, which is attempting a complete takeover of Tampella. Svedala appeared to suffer a further blow when Rauma, a Finnish engineering group, also purchased a 14 per cent stake in Tampella and said it was prepared to work with Sandvik.

month, after years of being known for its solid earnings record, large cash pile and limited ambitions. In early April it made a SKr1.4bn bid for Kanthal, a Swedish heating wire company, but the offer has so far been rejected by Truster, a Swedish industrial holding company which holds 50 per cent of the voting rights in Kanthal.

accounted for the difference. The currency factor was also blamed for a slight fall in group sales from SKr7.5bn to SKr7.42bn. At constant exchange rates, sales were up 6 per cent, Sandvik said, although held back by lower demand in steel markets than at the same time last year, when demand was very high.

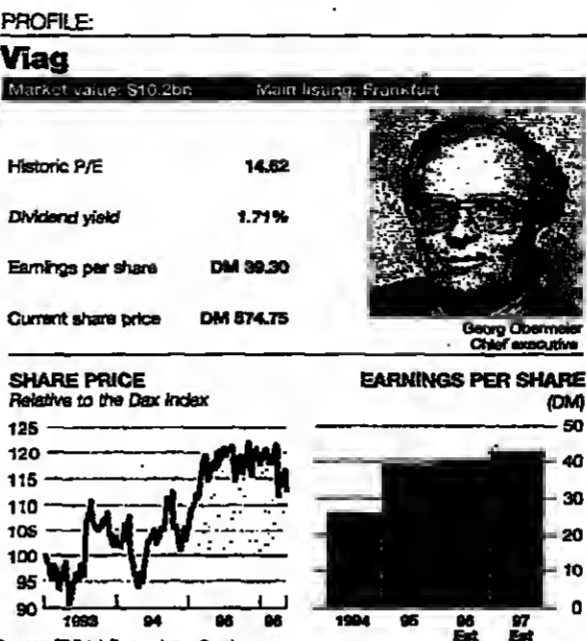
Viag slips but forecasts flat 1996

By Michael Lindemann in Munich
Viag, the leading German energy-based conglomerate, said sales at its aluminium, packaging and steel divisions among international investors after it emerged that an unspecified number of Viag shares had been sold by US shareholders

ers and had found their way back to Germany. "We will have to redouble our efforts to create a better presence in the international capital markets," Mr Obermeier said.

fell to DM668m, 23 per cent lower than during the same period a year earlier when the results had been boosted by the disposal of PWA, the German paper maker, Viag said. Operating results were in line with those reported last year.

would be dented by a poor business environment. "1996 just doesn't look that good." Mr Obermeier said Viag was discussing "several" new acquisitions after the rights issue in late March through which the group raised about DM2.5bn.



NEWS DIGEST First-quarter boost for Dresdner Bank

Dresdner Bank expects a marked rise in profits this year after a strong performance in the first quarter. Mr Jürgen Sarrazin, the chairman, told the annual meeting. But he said it would be wrong to expect the trend of the first quarter - in which operating profits more than doubled - to continue for the whole year.

Zurich Insurance, the Swiss-based insurance group, announced a 25.7 per cent increase to SFr674m (\$706.6m) in net profits for 1995, compared with SFr695.4m in the previous year. The group said non-life pre-tax profit rose 41.1 per cent from SFr966m a year earlier to SFr1.3bn, and its non-life business rose by 16.2 per cent from SFr142.1m to SFr165.1m.

Arjo Wiggins unit lifts sales
Arjomari-Prioux, the Arjo Wiggins Appleton unit, recorded sales in the three months to March up from FF7.1bn a year earlier, to FF7.4bn (\$1.4bn), according to a company announcement in the official bulletin, BALO.

NOTICE TO BONDHOLDERS
Acer Incorporated
(Incorporated as a company limited by shares in Taiwan, Republic of China)
US\$45,000,000
4 per cent Bonds due 2001 ("Bonds")
This is to inform you that the Bonds may be converted into common shares ("Shares") or Entitlement Certificates (as defined in the Indenture) of Acer Incorporated (the "Company") commencing 24 May 1996.

Swiss Bank Corporation
Unitary registered shares/1996 optional dividend
Among the items of business transacted by the Annual General Meeting of Shareholders of Swiss Bank Corporation on May 7, 1996, the introduction of a unitary registered share with a par value of CHF 50 was approved.

Get real-time quotes!
Accurate, reliable quotes for your PC with Signal!
How much are your investments worth this very minute? If you don't know, you could be gaining - or losing - thousands while you read this ad.

Property Facilities Management on Friday, May 24
This special report will focus on the rapidly growing sector of Property facilities Management. The report will be a valuable point of reference, and provide an ideal medium from which to capture the attention of the Chief Executives, MD's and Finance Directors who make outsourcing decision.

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FINANCE

Sniping over the share slugs starts up again

Norma Cohen on the row over pre-emption rights which give first refusal to existing shareholders

A time-honoured method for raising new equity capital in Britain - pre-emption rights - has long been the subject of skirmishes between companies and institutional investors.

The sniping has started again - but this time there are signs that the two sides are prepared to come out of their bunkers and countenance change.

Pre-emption rights give a company's existing shareholders the right of first refusal when a new slug of that company's shares come to market.

Companies have often grumbled that the system raises their cost of capital. Last week they turned the heat up when the Confederation of British Industry said it wanted to open talks with institutional shareholders about making the system more flexible.

FUND MANAGEMENT

when their company issued new shares equal to 46 per cent of existing share capital to buy Forte, and the owners of Rentokil did not protest when, in the interests of acquiring BET, the company issued new shares equal to 43 per cent of existing capital.

So why is an outright offering of shares for cash so objectionable? Critics say institutions are reluctant to change because the current system is so lucrative for them.

They benefit in two ways. First, those who sub-underwrite the issue earn a fixed 1.25 per cent commission, regardless of the riskiness of the issuer or prevailing market conditions.

Second, the new shares are almost always sold at a discount to prevailing market prices, typically 15 per cent. And because companies almost always maintain their existing dividend after issuing new shares, the institutions benefit from a higher dividend yield on the additional stock.

the business" said an official at Mercury Asset Management, Britain's largest independent fund management group. "The issue of the cost of capital is a separate one."

Some leading institutions are signalling that they are prepared to give ground on the cost of capital arguments. They are willing to negotiate the size of their commissions; and they are prepared for companies to adjust their dividends downward when issuing new equity at a discount to market value.

"We accept that if you maintain the dividend when you have issued new equity at a discount, you have in effect raised the dividend," said a director at one leading fund management company.

The Association of British Insurers and the National Association of Pension Funds are also saying that companies should feel free to adjust dividends downward.

Maurice Dwek returns to the financial fray

Mr Maurice Dwek, (below), once the scourge of the Swiss bond market cartel with his Soditic investment bank, is to ride again with a new set of partners, writes George Graham.

Mr Dwek founded the original Soditic in Geneva in 1971, but kept rights to the name when it was taken over in 1990 by S.G. Warburg. When Warburg became part of Swiss Bank Corporation last year the original investment banking business in Geneva, and most of its 80 employees, became redundant.

Half a dozen disgruntled former executives from Warburg approached Mr Dwek with the idea of a new venture. Now 64, Mr Dwek, who is chairman of the new group, says he plans to leave the day to day work to his younger partners.

The new-look Soditic, however, has no intention of returning to its old pastures. In the 1970s, the group made a dent in the Swiss market with innovations such as the first dual currency bond and the first interest rate swap, as well as with the development of a market for high yield bonds from issuers like Heron Corp and Polly Peck.

Business as usual at Crédit Lyonnais

Mr Marc Poli hopes this week will be back to "business as usual," writes David Owen. Crédit Lyonnais' director of interest rate and currency markets intends to have his full complement of 160 employees hard at work - albeit in unfamiliar surroundings.

Mr Poli, a 49-year-old sociology and history graduate, worked through the night last Sunday getting the French bank's back-up dealing room up and running, following the fire at the bank's Paris headquarters which destroyed his office and rendered its main dealing room unusable.

By Tuesday, back-up premises on the fringes of Paris at Levallois-Perret were a hive of activity with dealers conducting business from 50 workstations. Another 50 were on stream by Friday morning.

Mr Poli started in 1972 as a price forecaster with the coffee company Jacques Vabre, moving to Total, the oil group, after a year. He subsequently worked for Banque Worms and then Crédit Agricole, which he left in 1984 to join Crédit Lyonnais.

Plain sailing for Bo Goranson

Mr Bo Goranson, the Swedish chairman of Europe's largest debt collection agency, Intrum Justitia, appears unfazed by reports that Provident Financial, the consumer credit group, may be about to bid for the company, writes Jane Martinson.

Speculation has centred on the 19 per cent of Intrum's stock held by MAI, the media and financial services group which last month merged with United News & Media. But even if MAI was ready to sell - and the company will only say that it would look at an offer

if one came along - any prospective buyer would have to reckon first with Mr Goranson. He owns 31 per cent of Intrum, and is not about to let go: "I have a very nice time here... I prefer to stay on," he says, firmly.

Intrum, founded by his father in 1923 and based in Amsterdam, has a London listing and operates in 15 European countries. Last year the company turned in a 13 per cent rise in pre-tax profits, to £15.8m.

Patil shakes up the Indian exchanges

For a man who might otherwise be quietly looking forward to the distinguished sunset of a public sector career in Indian finance, R.H. Patil, managing director of the two-year-old National Stock Exchange, finds himself with his hands full, writes Mark Nicholson.

"I felt I should do something entrepreneurial rather than just retire as a bank official," says the 53-year-old Patil.

Thus in 1993 he left the Industrial Development Bank of India, the country's biggest state-owned lender to industry, to set up the NSE - consciously designed by the Indian government to become shake up the country's clunky and inefficient equity markets in advance of India's opening to international portfolio investment.

And so it has proved. In just two years of trading, the NSE last month was reporting an average daily turnover of Rs8bn (\$360m), three times the average of the Bombay Stock Exchange, previously the country's pre-eminent bourse. Within months the NSE aims to introduce India's first automated share depository and, before that, will introduce the country's first settlement guarantee scheme, underwriting counterparty and settlement risks.



Fortis AG

General Meeting of Shareholders

The Ordinary General Meeting of Fortis AG will be held on Tuesday 28 May 1996, at 11.00 a.m., at 1000 Brussels, rue du Pont Neuf, 17.

Agenda

1. Special report of the Board of Directors and special report of the Board of Statutory Auditors concerning situations of conflict of interest.
2. Directors' and Auditors' Report.
3. Annual accounts.
4. Discharge of directors and statutory auditors.
5. Statutory appointments.

Attendance to the Meeting

To take part in the meeting, shareholders must conform with the provisions of Articles 22 and 23 of the Memorandum and Articles of Association:

- a) owners of bearer shares are requested to deposit their shares at the company's registered office or at one of the banks mentioned below, no later than Wednesday 22 May 1996;
- b) owners of registered shares, as well as owners of bearer shares which have already been deposited at the company's registered office, are requested to advise the company by the same date of their intention to take part in the meeting.

Proxy

Shareholders wishing to be represented by other persons at the meeting are invited to use the proxy form (which does not constitute "proxy request" or "public solicitation" within the meaning of Article 74 paragraph 2, sub-paragraph 2, and paragraph 3 of the coordinated laws governing commercial companies) which may be obtained upon simple request at the company's registered office. Every proxy must reach the company's registered office as soon as possible, and no later than Monday 20 May 1996.

Further information

Are equally available to the shareholders at the company's registered office or at one of the banks mentioned below:

- the special report of the Board of Directors and the special report of the Board of Statutory Auditors concerning situations of conflict of interest;
- the Annual Review 1995 and the Supplement 1995, which together form the complete annual report of Fortis and its two parent companies, Fortis AG and Fortis AMEV.

For further information, please contact Group Communication, at telephone number 32 (0)2 220 9349.

Brussels, 13 May 1996

For of the Board of Directors,
M. Lippens
Maurice LIPPENS,
Chairman - Managing Director

Fortis AG
Bd Eoile Jacquain, 53
1000 Brussels
Belgium
R.C. Brno.: 1811

BELGIUM: ASLK-GER BANK BANQUE BRUXELLES LAMBERT CAISSE PRIVEE
BANQUE CREDIT A L'INDUSTRIE GENERALE DE BANQUE KREDITBANK
METROPOLITAN BANK BANQUE UCL BARCLAYS BANK
LUXEMBOURG: BANQUE UCL, 4 Rue de la Reine, 2418 Luxembourg.
UNITED KINGDOM: BARCLAYS BANK, 8 Angel Court, Throgmorton Street, London EC2R 7HT.

Fortis AMEV

General Meeting of Shareholders

The Annual General Meeting of Shareholders of Fortis AMEV will be held at 10.30 a.m. on Tuesday 28 May 1996 in the Fortis Auditorium at 6 Archimedeslaan, Utrecht, The Netherlands.

Summary of agenda

- Annual report of the Executive Board for the financial year 1995, adoption of the annual accounts 1995, declaration of the dividend for the financial year 1995
- Appointment of two members and reappointment of one member of the Supervisory Board
- Amendment to the Articles of Association
- Empowerment of the Executive Board to issue shares
- Authorization of the Executive Board to repurchase the company's own shares

Availability of agenda, annual reporting and proposed amendment to Articles of Association

The following documents will be available without charge from Fortis AMEV in Utrecht, The Netherlands, MeesPierson N.V. in Amsterdam, The Netherlands, Barclays Bank PLC in London, United Kingdom, and Banque Universelle et Commerciale du Luxembourg S.A. (Banque UCL) in Luxembourg from 13 May 1996, at the addresses listed below:

- the full agenda for the meeting, including the statutory information about the supervisory directors standing for appointment or reappointment;
- the Annual review 1995 and the Supplement 1995 of Fortis, Fortis AMEV and Fortis AG, containing the annual reporting of Fortis AMEV;
- the full text of the proposed amendment to the Articles of Association with explanatory notes, together with an annex concerning a change in the conditions of the Stichting Administratiekantoor, the trust which administers the shares of Fortis AMEV. The change in question is connected with the amendment to the Articles of Association.

Attending the meeting

Holders of registered shares may attend the meeting if they have given notice of their intention to do so in writing to Fortis AMEV by Tuesday 21 May 1996.

Holders of depositary receipts for shares may attend the meeting if they have lodged their receipts with MeesPierson N.V. in Amsterdam, The Netherlands, by 21 May 1996 (alternatively, they may lodge with MeesPierson N.V. proof of the lodging of their depositary receipts at the offices of a company which is a member of the Amsterdam Stock Exchange Association), with Barclays Bank PLC in London, United Kingdom, or Banque UCL in Luxembourg, at the addresses below.

Proxies

Those parties who are entitled by law to attend the meeting may also be represented by a proxy, in which case in addition to the requirements for attending the meeting stipulated above, the proxy must be in the company's possession by 21 May 1996.

Directions/Further information

Those parties who give notice of their intention to attend the meeting will receive directions beforehand, describing how to reach the Fortis Auditorium. For further information please contact Group Communication on 31 (0)30 257 65 47.

Utrecht, 13 May 1996

On behalf of the Executive Board
J.L.M. Bartelds
Chairman

Fortis AMEV nv
Archimedeslaan 6
3584 BA Utrecht
The Netherlands

Mees Pierson N.V.
Rokin 55
1012 KK Amsterdam
The Netherlands

Barclays Bank PLC
8 Angel Court
Throgmorton Street
London EC2R 7HT
United Kingdom

Banque UCL
4 Rue de la Reine
2418 Luxembourg
Luxembourg

INSURANCE-BANKING-INVESTMENTS

ING BANK
エマーシクマーケット
おまび資本市場での
専門金融機関
ING BARINGS

FINANCIAL TIMES
MARKETS
THIS WEEK

ING BANK
At Home in Emerging
and Capital Markets
ING BARINGS

Global Investor / Peter Martin

The puzzle of Nordic bond yields



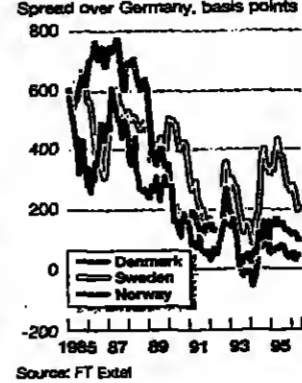
In the next few months, Finland has to make a difficult decision: whether to enter the Eurozone...

and the government debt criterion were interpreted loosely enough to allow Sweden to qualify for Emu in 1996...

in those countries seen as likely entry candidates will converge more rapidly with those of Germany and France.

microchips, showing strong growth. AFX Asia, Tokyo

10-yr benchmark bonds



Total return in local currency to 3/31/96

Table with columns: Country, US, Japan, Germany, France, Italy, UK. Rows for Cash, Bonds 3-5 year, Bonds 7-10 year, Equities.

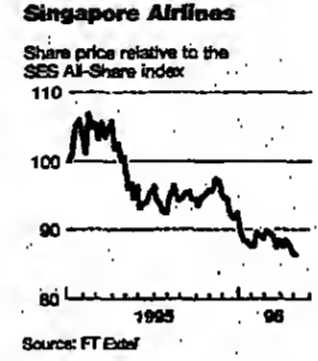
COMPANY RESULTS DUE

SIA held back by sharp rise in fuel prices

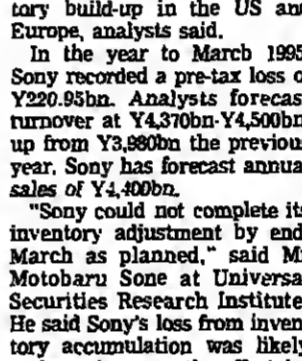
Singapore Airlines is today expected to report net profits for the year to March of about \$817.5m...

to post first-quarter net profit after minority of Pta34.4bn-Pta35.6bn (\$278m) up from Pta23.7bn a year earlier.

Singapore Airlines Shares price relative to the SSES All-Share Index



BT Shares price relative to the FT-SE-100 All-Share Index



at the end of last year. AFX News, Madrid

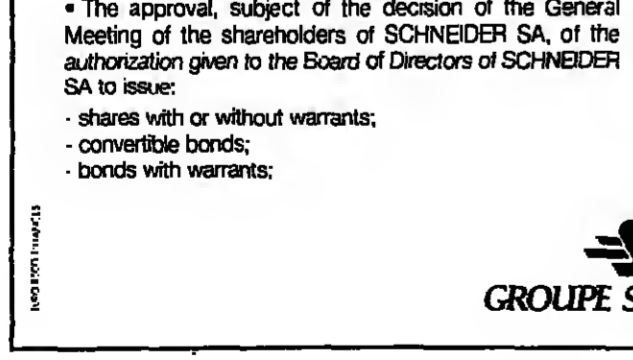
Japan's three leading general chemicals producers are expected to report strong profit growth for the year to March.

SCHEIDER SA

Notice of General Meeting Meeting of Guaranteed Exchangeable Bonds due 2003 SQUARE D

The holders of the 2 per cent Guaranteed Exchangeable Bonds due 2003 of SQUARE D Company are invited to attend the General Meeting to be held on the 29th of May 1996 at 10.00 a.m. at the office of the COMPAGNIE FINANCIERE DE CIC et de L'UNION EUROPEENNE...

- tradeable securities which are convertible into, exchangeable for or reimbursable with shares of SCHNEIDER SA; for a maximum amount of FF 10 billion, representing subscription right to an aggregate number of shares which can total no more than a nominal amount of FF 5 billion.



INTERNATIONAL EQUITIES By Antonia Sharpe

Attention shifts to focus on liquidity

The international primary equity market has enjoyed an unprecedentedly positive run so far this year, largely thanks to the high levels of liquidity in institutional portfolios which need to be invested and to the wide selection of issues on offer to soak it up.

But this year, investors have been quick to place their orders, often inflated for fears of being scaled back, to lower their cash positions.

The high levels of liquidity have also changed the way investors respond to offerings. Last year, when they had the upper hand, many, particularly in the US, delayed placing orders in the hope the price range would be revised downwards.

week, is believed to be about four times covered at a price of 350p despite some controversy surrounding the flotation.

FT/SP ACTUARIES WORLD INDICES

Table showing FT/SP Actuaries World Indices for various countries including Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Korea, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, USA, and World Index.

THE TOP OPPORTUNITIES SECTION

For senior management positions. For information please contact: Robert Hunt +44 0171 873 4095

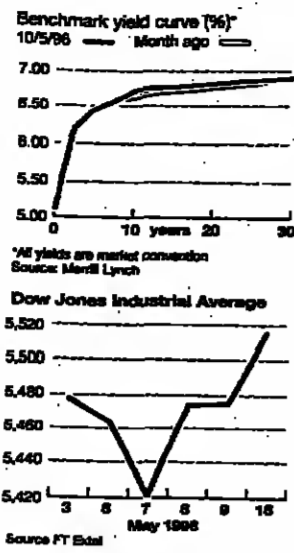
MARGINED CURRENCY DEALING

Laurion CALL TOLL-FREE France 0680 1400 Belgium 0600 71999 Denmark 0200 0620 Finland 0200 4912973 France 0550 6446 Greece 0200 4512916 Ireland 1 800 555718 Italy 1876 20976 Norway 800 1181 Portugal 0505 493261 New Zealand 0755 99414 Switzerland 156 3548 Sweden 0209 1201 Switzerland 156 3548 Tel: (41) 401 870 Fax: (41) 401 851

MARKETS: This Week

NEW YORK By Maggie Urry

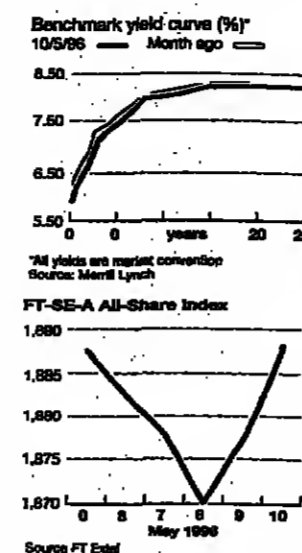
US stock and bond markets ended last week on a strong note, after some volatility. Friday's gains were largely due to the benign producer price figure, which showed a rise in April of 0.4 per cent.



On Wednesday, industrial production should be seen to have bounced back in April after the General Motors stoppage in March.

LONDON By Philip Coggan

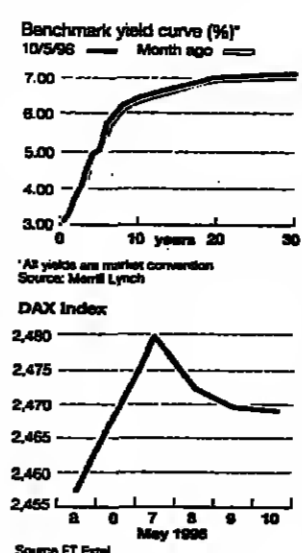
Inflation is likely to be the key issue for the markets this week, with investors absorbing the UK's retail and producer price figures.



The market will get a clearer picture about the prospects for earnings growth in 1996 from results this week from corporate giants such as Alled Domecq, Argyll, British Gas, British Telecom, Commercial Union, Grand Met and Hanson.

FRANKFURT By Andrew Fisher

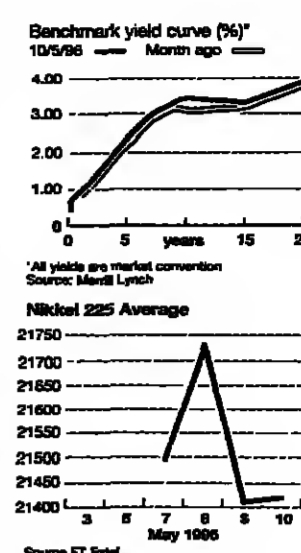
Uncertainty about international interest rate trends made the German stock market rather timid last week, with some analysts forecasting renewed softness after the stormy start to the year.



more in lower-cost, higher-growth markets abroad. And this leaves the economy looking somewhat exposed.

TOKYO By Emiko Terazono

Although some concern over an imminent tightening seems to have been alleviated by the Bank of Japan's accommodative stance in the money market last week, worries about over-supply are likely to continue to weigh on investor confidence.



The high-technology sector and semiconductor manufacturing equipment makers have also seen selling pressure triggered by weak figures for semiconductor demand in the US.

COMMODITIES By Richard Mooney

Precious metals in spotlight

Precious metals remains in the spotlight this week following the publication last Friday of Gold Fields Mineral Services' latest gold market survey.

On the base metals front, today sees the start of a five-day International Wrought Copper Council meeting in Athens.

tomorrow, the Brazilian Coffee Industry Association and the São Paulo Coffee Industry Concentrate on their home market at a seminar on "The Growth of Domestic Consumption of Coffee - 15m bags in the Year 2000".

OTHER MARKETS Compiled by Michael Morgan

JOHANNESBURG

International investors will be wary of Johannesburg this week in the wake of heavy debt spurned by the National Party's decision to quit the government of national unity.

MILAN

After last week's tepid performance by shares and the lira, the market could be in for a more positive week as Mr Romano Prodi moves towards installing his new cabinet.

ZURICH

Further details of the Adia/Ecco merger will be keenly scrutinised, although Paris-based analysts have already come to the conclusion that the terms appear better for the Swiss group than for the French company.

HONG KONG

Today's Sino-US trade talks, together with inflation figures from the US, are likely to hold the key to this week's trade.

Attention to focus on European economic forecasts

European monetary union is likely to be back at the centre of market attention this week, following signs of growing speculation last week that the single currency project might not take place on time after all.

Attention will therefore be focused on the European Commission's latest economic forecasts, due to be published tomorrow, which are expected to predict that several countries will miss the criteria for participation in Euro in 1997.

The German government is also due to unveil this week details of its tax shortfall this year to add further to gloom about Euro.

The Bundesbank council meets on Wednesday, ahead of a holiday on Thursday. Much of the D-Mark's weakness earlier this year was based on expectations that the weakness

of the German economy would mean much lower German interest rates. But analysts expect the repo rate to be fixed again at an unchanged rate this week.

The dollar rallied strongly on Friday after general weakness against the D-Mark for most of last week.

price figures are due tomorrow, but they should show slightly stronger inflationary pressures than last month.

FT GUIDE TO WORLD CURRENCIES

Table with columns for Country, Currency, and Exchange Rate. Includes entries for Algeria, Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, Colombia, Denmark, Ecuador, Egypt, France, Germany, Greece, Hong Kong, India, Indonesia, Italy, Japan, Korea, Kuwait, Laos, Lebanon, Lithuania, Luxembourg, Malaysia, Mexico, Netherlands, New Zealand, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Romania, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Thailand, Turkey, Ukraine, United Kingdom, United States, Uruguay, Venezuela, Vietnam, and Yugoslavia.

CROSS BORDER M&A DEALS

Table with columns: Bidder/Investor, Target, Sector, Value, Comment. Includes deals like Adia (Switzerland) to Ecco (France), Avon Energy (US) to Midlands Electricity (UK), Mobil (US) to Ampol (Australia), Greet Lakes Chemical (US) to Nowco (Canada), Vodafone (UK) to SFR (France), BASF (Germany) to Zeneca Textile Colours (UK), and Vanity Corp (US) to Lucas Industries (UK).

SIGMA SECURITIES S.A. - MEMBER OF THE ATHENS STOCK EXCHANGE

Table with columns: ASE INDEX, EPS (after tax) 95/96, EPS GROWTH (% 96), P/E ratio, Div. Yield (% 95/96), and Y1996 Avg. USD m. Includes data for various companies and indices.

LEGAL NOTICES

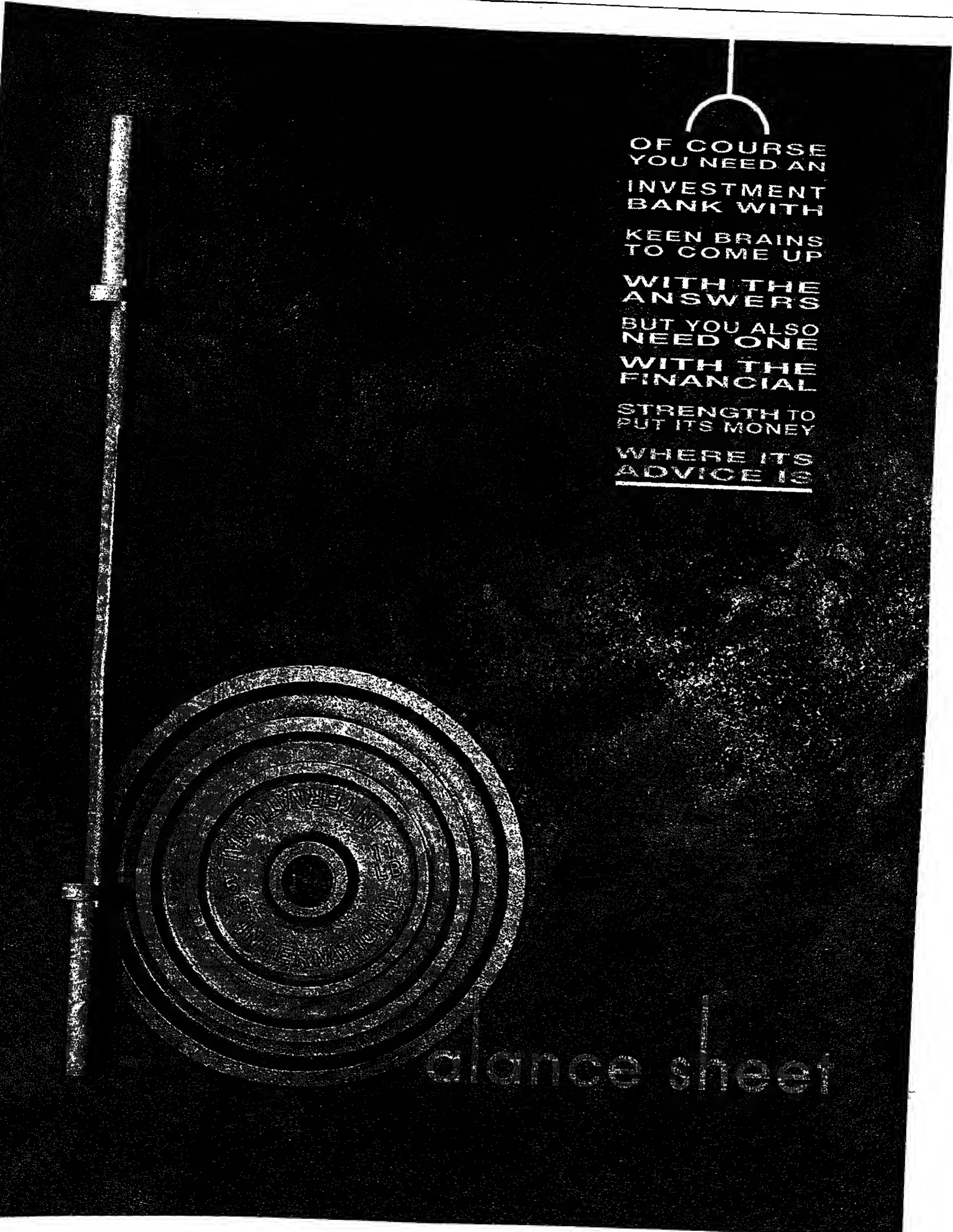
Case Group Limited (In Members' Voluntary Liquidation). Notice is hereby given that a Petition was on the 29th day of April 1996 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the share capital of the above named Company by £27,500.00.

The Chartered Institute of Bankers Presents: RUSSIA: THE PROSPECTS FOR REFORM. Wednesday 15 May - London. A one-day conference chaired by Sue MacGregor. Speakers include Yegor Gaidar, former Prime Minister and Sergei Yegerov, President of the Association of Russian Banks.

Handwritten note in a box: "1/12/1996"

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OF COURSE
YOU NEED AN
INVESTMENT
BANK WITH
KEEN BRAINS
TO COME UP
WITH THE
ANSWERS
BUT YOU ALSO
NEED ONE
WITH THE
FINANCIAL
STRENGTH TO
PUT ITS MONEY
WHERE ITS
ADVICE IS

Balance sheet

INVESTMENT BANKING. FROM A TO



WORLD STOCK MARKETS

Table of world stock markets including sections for EUROPE (Asia, Europe, Germany, France, etc.), ASIA (Japan, Korea, etc.), and other regional indices.

Table of stock prices for various companies in the Asia region, including companies like Asia Cement, Asia Paper, etc.

Table of stock prices for various companies in the Europe region, including companies like British Airways, British Petroleum, etc.

Table of stock prices for various companies in the Germany region, including companies like Daimler-Benz, Volkswagen, etc.

Table of stock prices for various companies in the France region, including companies like Air France, Bouygues, etc.

Table of stock prices for various companies in the Japan region, including companies like Dai-ichi Kangyo Bank, Dai-ichi Life, etc.

Table of stock prices for various companies in the Korea region, including companies like Daewoo, Hyundai, etc.

Rockwell supplies virtually every European car manufacturer with automotive components and systems



Rockwell logo and company name

Table of stock prices for various companies in the Poland region, including companies like Orlen, PKN, etc.

Table of stock prices for various companies in the Portugal region, including companies like Banco Comercial, Banco Montepi, etc.

Table of stock prices for various companies in the Spain region, including companies like Banco de España, Telefónica, etc.

Table of stock prices for various companies in the Switzerland region, including companies like Swissair, Nestlé, etc.

Table of stock prices for various companies in the Taiwan region, including companies like Acer, Asus, etc.

Table of stock prices for various companies in the Thailand region, including companies like Bangkok Bank, Siam Cement, etc.

Table of stock prices for various companies in the Turkey region, including companies like TSKM, TSKM, etc.

Table of stock prices for various companies in the Indonesia region, including companies like Garuda, Telkom, etc.

Table of stock prices for various companies in the Malaysia region, including companies like Malayan Banking, Petronas, etc.

Table of stock prices for various companies in the Singapore region, including companies like Singapore Airlines, Singtel, etc.

Table of stock prices for various companies in the New Zealand region, including companies like Air New Zealand, Telecom, etc.

Table of stock prices for various companies in the South Africa region, including companies like Anglo American, Anglo Coal, etc.

Table of stock prices for various companies in the South Africa region, including companies like Anglo American, Anglo Coal, etc.

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Emerging Markets

FINANCIAL TIMES MONDAY MAY 13 1996

CURRENCIES AND MONEY

Table: POUND SPOT FORWARD AGAINST THE POUND. Columns: Country, Currency, Bid/offer, Change on day, etc.

Table: DOLLAR SPOT FORWARD AGAINST THE DOLLAR. Columns: Country, Currency, Bid/offer, Change on day, etc.

WORLD INTEREST RATES

Table: WORLD INTEREST RATES. Columns: Country, Term, Rate.

CROSS RATES AND DERIVATIVES

Table: EXCHANGE CROSS RATES. Columns: Currency, Bid, Offer, etc.

Table: D-MARK FUTURES (MM) DM 125,000 per DM. Columns: Month, Price, Change.

Table: SWISS FRANC FUTURES (MM) SF 125,000 per SF. Columns: Month, Price, Change.

Table: JAPANESE YEN FUTURES (MM) ¥125 per Yen 100. Columns: Month, Price, Change.

Table: STERLING FUTURES (MM) £25,000 per £. Columns: Month, Price, Change.

Table: PHILADELPHIA ICE (25) 250 (cents per pound). Columns: Strike, Price, etc.

Table: BANK RETURN. Columns: Category, Amount.

Table: UK GILT PRICES. Columns: Maturity, Price, etc.

FT GOLD MINES INDEX

Table: FT GOLD MINES INDEX. Columns: Company, Price, Change.

UK INTEREST RATES

Table: UK INTEREST RATES. Columns: Term, Rate.

LONDON MONEY RATES

Table: LONDON MONEY RATES. Columns: Instrument, Rate.

BANK OF ENGLAND TREASURY BILL TENDER

Table: BANK OF ENGLAND TREASURY BILL TENDER. Columns: Maturity, Amount.

BASE LENDING RATES

Table: BASE LENDING RATES. Columns: Institution, Rate.

Other Fixed Interest

Table: Other Fixed Interest. Columns: Instrument, Rate.

EURO CURRENCY INTEREST RATES

Table: EURO CURRENCY INTEREST RATES. Columns: Country, Term, Rate.

THREE MONTH EURO-DOLLAR (MM) \$1m points of 100%

Table: THREE MONTH EURO-DOLLAR. Columns: Month, Price, Change.

US TREASURY BILL FUTURES (MM) \$1m per 100%

Table: US TREASURY BILL FUTURES. Columns: Month, Price, Change.

RIGHTS OFFERS

Table: RIGHTS OFFERS. Columns: Company, Price, etc.

UK GILT PRICES

Table: UK GILT PRICES. Columns: Maturity, Price, etc.

STOCK INDICES

Table: STOCK INDICES. Columns: Index, Value, Change.

BERKELEY FUTURES LIMITED

FUTURES AND OPTIONS TRADING

MARGINED FOREIGN EXCHANGE TRADING

SECURITIES AND FUTURES LIMITED

WANT TO KNOW A SECRET?

CITY INDEX

Margined FOREX

OFFSHORE COMPANIES

Petroleum Argus Daily Oil Price Reports

Market-Eye

Price for electricity...

Price for electricity...

Price for electricity...

Price for electricity...

Price for electricity...

Price for electricity...

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Price for electricity...

Price for electricity...

Price for electricity...

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices: dial 0891 430010 and key in a 5 digit code listed below. Calls are charged at 39p/minute cheap rate and 49p/minute at all other times. International access available by subscription only. For more details call the FT Cityline Help Desk on (+44 171) 873 4376.

Handwritten note: 27/11/1995

Main table containing financial data for various funds, including columns for fund names, prices, and other metrics. Includes sub-sections for 'OTHER OFFSHORE FUNDS' and 'OFFSHORE INSURANCES'.

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Vertical text on the right edge of the page, possibly a page number or reference code.

MANAGED FUNDS NOTES: Detailed notes regarding fund management, including information on currency, charges, and other relevant details.

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table listing companies in the Alcoholic Beverages sector, including names like Allied Domecq and Diageo, with columns for share price, dividends, and other financial metrics.

BANKS, MERCHANT

Table listing companies in the Banks, Merchant sector, including names like HSBC and Citigroup, with columns for share price, dividends, and other financial metrics.

BANKS, RETAIL

Table listing companies in the Banks, Retail sector, including names like Abbey National and Royal Bank of Scotland, with columns for share price, dividends, and other financial metrics.

BREWERIES, PUBS & REST

Table listing companies in the Breweries, Pubs & Rest sector, including names like Carlsberg and TSB, with columns for share price, dividends, and other financial metrics.

BUILDING & CONSTRUCTION

Table listing companies in the Building & Construction sector, including names like Bovis Lend Lease and Bovis Lend Lease Construction, with columns for share price, dividends, and other financial metrics.

BUILDING MATS. & MERCHANTS

Table listing companies in the Building Mats. & Merchants sector, including names like Bunnings and Wickes, with columns for share price, dividends, and other financial metrics.

CHEMICALS

Table listing companies in the Chemicals sector, including names like ICI and Akzo, with columns for share price, dividends, and other financial metrics.

DISTRIBUTORS

Table listing companies in the Distributors sector, including names like J. Sainsbury and M. Sainsbury, with columns for share price, dividends, and other financial metrics.

DIVERSIFIED INDUSTRIALS

Table listing companies in the Diversified Industrials sector, including names like BHP and Anglo American, with columns for share price, dividends, and other financial metrics.

ELECTRICITY

Table listing companies in the Electricity sector, including names like British Energy and EDF Energy, with columns for share price, dividends, and other financial metrics.

ELECTRONIC & ELECTRICAL EQPT

Table listing companies in the Electronic & Electrical EQPT sector, including names like Agilent and Keysight, with columns for share price, dividends, and other financial metrics.

ELECTRONIC & ELECTRICAL EQPT - Cont.

Continuation of the Electronic & Electrical EQPT sector table.

ENGINEERING

Table listing companies in the Engineering sector, including names like BAE Systems and Rolls-Royce, with columns for share price, dividends, and other financial metrics.

ENGINEERING - Cont.

Continuation of the Engineering sector table.

ENGINEERING, VEHICLES

Table listing companies in the Engineering, Vehicles sector, including names like Ford and Jaguar, with columns for share price, dividends, and other financial metrics.

EXTRACTIVE INDUSTRIES

Table listing companies in the Extractive Industries sector, including names like Anglo American and BHP, with columns for share price, dividends, and other financial metrics.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of the Extractive Industries sector table.

FOOD PRODUCERS

Table listing companies in the Food Producers sector, including names like Unilever and Nestle, with columns for share price, dividends, and other financial metrics.

GAS DISTRIBUTION

Table listing companies in the Gas Distribution sector, including names like British Gas and Centrica, with columns for share price, dividends, and other financial metrics.

HEALTH CARE

Table listing companies in the Health Care sector, including names like AstraZeneca and GlaxoSmithKline, with columns for share price, dividends, and other financial metrics.

HEALTH CARE - Cont.

Continuation of the Health Care sector table.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector, including names like B&M and Debenhams, with columns for share price, dividends, and other financial metrics.

INSURANCE

Table listing companies in the Insurance sector, including names like Aviva and Prudential, with columns for share price, dividends, and other financial metrics.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector, including names like Fidelity and Schroders, with columns for share price, dividends, and other financial metrics.

INVESTMENT TRUSTS - Cont.

Continuation of the Investment Trusts sector table.

INV TRUSTS SPLIT CAPITAL

Table listing companies in the Inv Trusts Split Capital sector, including names like Fidelity and Schroders, with columns for share price, dividends, and other financial metrics.

Advertisement for Hewlett-Packard Computacenter, featuring the HP logo and text: 'HEWLETT PACKARD Print leader, performance servers, managed desktops. From the UK's leading provider of distributed IT systems and services. Computacenter'.

Handwritten Arabic text at the bottom of the page: 'هذا من الامثلة'.

Handwritten note: 27/11/95

INV TRUSTS SPLIT CAPITAL - Cont.

Table listing investment trusts with columns for Name, Price, % Chg, Div, and Date.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies with columns for Name, Price, % Chg, Div, and Date.

OTHER FINANCIAL - Cont.

Table listing other financial companies with columns for Name, Price, % Chg, Div, and Date.

PROPERTY - Cont.

Table listing property companies with columns for Name, Price, % Chg, Div, and Date.

SUPPORT SERVICES - Cont.

Table listing support services companies with columns for Name, Price, % Chg, Div, and Date.

AIM - Cont.

Table listing AIM companies with columns for Name, Price, % Chg, Div, and Date.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for Name, Price, % Chg, Div, and Date.

INVESTMENT COMPANIES

Table listing investment companies with columns for Name, Price, % Chg, Div, and Date.

LEISURE & HOTELS

Table listing leisure and hotel companies with columns for Name, Price, % Chg, Div, and Date.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies with columns for Name, Price, % Chg, Div, and Date.

OIL, INTEGRATED

Table listing integrated oil companies with columns for Name, Price, % Chg, Div, and Date.

PROPERTY

Table listing property companies with columns for Name, Price, % Chg, Div, and Date.

SUPPORT SERVICES

Table listing support services companies with columns for Name, Price, % Chg, Div, and Date.

WATER

Table listing water companies with columns for Name, Price, % Chg, Div, and Date.

AIM

Table listing AIM companies with columns for Name, Price, % Chg, Div, and Date.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies with columns for Name, Price, % Chg, Div, and Date.

RETAILERS, FOOD

Table listing food retailers with columns for Name, Price, % Chg, Div, and Date.

RETAILERS, GENERAL

Table listing general retailers with columns for Name, Price, % Chg, Div, and Date.

PHARMACEUTICALS

Table listing pharmaceutical companies with columns for Name, Price, % Chg, Div, and Date.

PHARMACEUTICALS - Cont.

Table listing pharmaceutical companies with columns for Name, Price, % Chg, Div, and Date.

RETAILERS, GENERAL - Cont.

Table listing general retailers with columns for Name, Price, % Chg, Div, and Date.

TOBACCO

Table listing tobacco companies with columns for Name, Price, % Chg, Div, and Date.

TRANSPORT

Table listing transport companies with columns for Name, Price, % Chg, Div, and Date.

SOUTH AFRICANS

Table listing South African companies with columns for Name, Price, % Chg, Div, and Date.

GUIDE TO LONDON SHARE SERVICE

Price for the London Share Service... Company classifications are based on those used for the FT-SE 100... Includes a list of symbols and their meanings.

FT Share Service

The following charges have been made to the FT Share Information Service... Details of charges and contact information.

FT Free Annual Reports Service

You can obtain the current annual reports of any company... Details of the free reports service.

FT Company Focus

Comprehensive 10-14 page report available on the company... Details of the Company Focus service.

FT Cityline

For up-to-the-second share prices call FT Cityline... Details of the Cityline service.

Right per... the said... gully... stor... ned... as of... reb... that... dis... ecla... gov... pol... of a... ider... nely... as a... take... ear... ok... into... ary... ally... e in... dis... ver... sol... sell... in... stic... per... nly... ngs... the... gov... '... its... ted... on... the... pri... y... will... era... ver... am... or... at... le... st... ria... tion... for... hip... le... or... ing... the... spe... sci...

NEW YORK STOCK EXCHANGE PRICES

4 pm close May 10

Main table of stock prices with columns for stock name, price, change, and volume. Includes sub-sections for 'D', 'L', 'H', 'C', 'E', 'F', 'G', 'I', 'J', 'K', 'M', 'N', 'O', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z'.

Advertisement for Hewlett-Packard with text: 'If the business decisions are yours, the computer system should be ours. http://www.hp.com/computing' and the HP logo.

Handwritten Arabic text: 'البيانات المالية' (Financial Data)

Continued on next page

NYSE PRICES

Table of NYSE stock prices including columns for stock name, price, and change. Includes sub-sections for 'Continued from previous page', '-V-', '-W-', '-T-', '-U-', and '-X-Y-Z-'.

NASDAQ NATIONAL MARKET

Table of NASDAQ stock prices including columns for stock name, price, and change. Includes sub-sections for '-L-', '-R-', '-M-', '-F-', '-B-', '-G-', '-H-', '-I-', '-J-', '-K-', '-L-', '-M-', '-N-', '-O-', '-P-', '-Q-', '-R-', '-S-', '-T-', '-U-', '-V-', '-W-', '-X-', '-Y-', '-Z-'.

AMEX PRICES

Table of AMEX stock prices including columns for stock name, price, and change. Includes sub-sections for '-T-', '-U-', '-V-', '-W-', '-X-', '-Y-', '-Z-'.

Advertisement for 'Spain' with the headline 'Have your FT hand delivered in Spain' and text describing financial services in Barcelona, Bilbao, Sevilla and Valencia.

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FT GUIDE TO THE WEEK

MONDAY 13

French endorse defence plan

The French cabinet endorses a defence procurement programme for 1997-2002, designed to produce the same amount of weaponry at less cost.

S Africa telecoms push

South Africa endeavours to launch the developing world into the global telecommunications village, with the Information Society and Development Conference which it is hosting near Johannesburg (to May 15).

China steps up foreign trips

Zhu Rongji, the Chinese vice premier, begins an official tour of Indonesia, Thailand and Malaysia (to May 26).

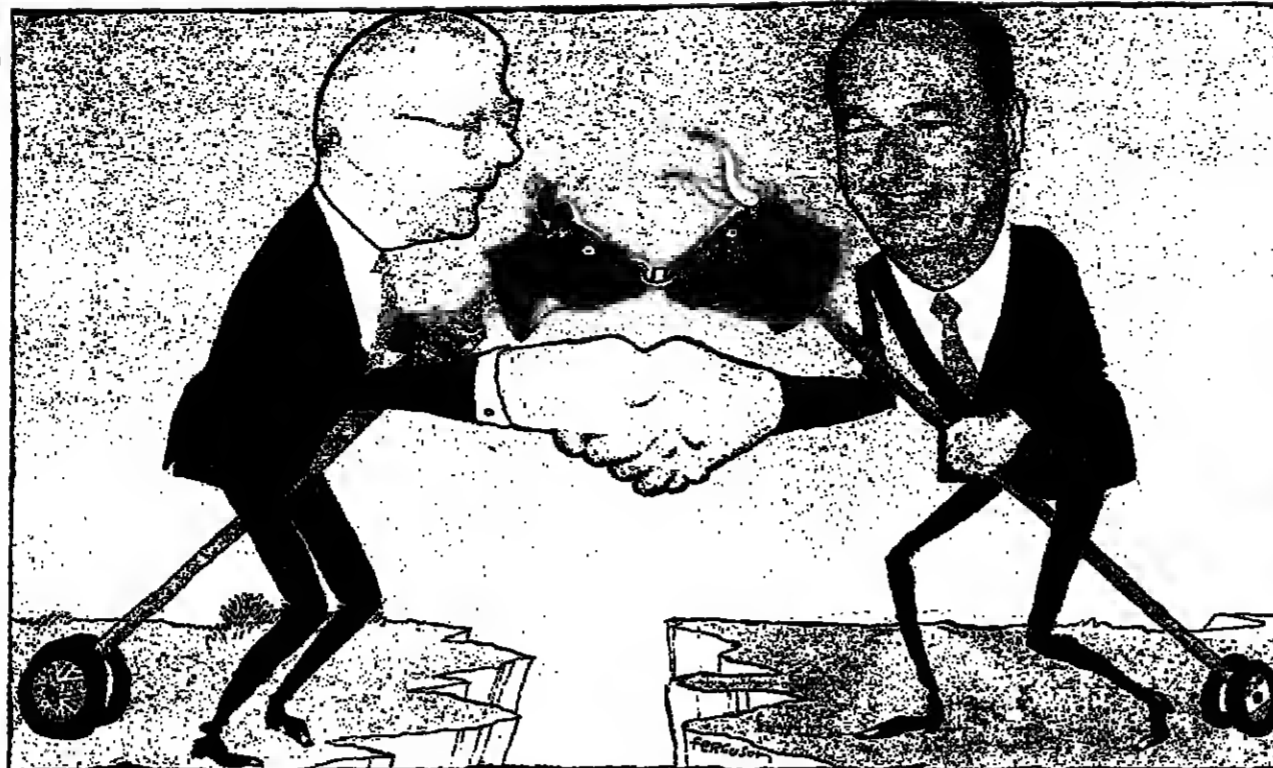
Fall in Japan trade surplus

Japan publishes its balance of payments statistics for the fiscal year 1995-96. These should show the sharpest annual fall in Japan's huge and politically troublesome trade surplus for six years.

TUESDAY 14

Chirac on state visit to UK

Jacques Chirac, the French president, arrives in Britain for a four-day state visit boded by the Queen.



On Tuesday, Jacques Chirac, the French president, arrives for a state visit to Britain which is seen to symbolise a rapprochement of interests

particular on defence and some aspects of European policy. However, he has shown a strong commitment to monetary union.

Non-aligned in Cartagena

At least 20 foreign ministers from members of the Non-Aligned Movement meet in the Colombian city of Cartagena to discuss candidates for membership and to push ahead with the agenda drawn up when Colombia took over the presidency.

Privatisation in Prague

Privatisation - how to do it and its impact on societies - is the topic of a conference in Prague that draws together speakers from most countries in central and eastern Europe.

Germany rules on asylum

Germany's federal constitutional court decides on a challenge lodged against the 1993 asylum laws. Asylum-seekers whose claims have been turned down are complaining about the "third-state ruling" under which Germany refuses to grant asylum to people who arrive in the country via a state considered safe from political oppression.

Tennis

British clay court championships, Cardiff (to May 19).

Public holidays

Georgia, Liberia.

WEDNESDAY 15

Tories threatened on CAP

In an attempt to step up efforts to exploit the Tory party split over Europe in Britain's House of Commons, Labour MPs will table a technical motion for a vote on the common agricultural policy.

Czech election campaign

Campaigning officially begins for a general election in the Czech Republic, for which voting takes place on May 29 and June 1.

US to punish China on piracy

A serious trade war between the US and China is poised to break out with President Bill Clinton expected to propose

a sanctions list, punishing Beijing for its failure to enforce its laws prohibiting piracy of videos, compact discs, software and other intellectual property.

Smoking ban in Beijing

Beijing's smoking ban comes into effect in public places such as hospitals, schools, cinemas and public lavatories.

Venezuela to woo bankers

Venezuela's finance minister, Luis Raul Matos Azocar, travels to New York to talk to investors. Venezuela recently applied austerity measures to reduce its 6.1 per cent budget deficit and reached a preliminary standby agreement with the International Monetary Fund.

Redwood v Brittan on Europe

John Redwood, the Eurosceptic Tory MP who challenged the leadership of John Major, the British prime minister, debates with Sir Leon Brittan, the EU trade commissioner, the question "Is Britain's national identity threatened by further European integration?"

Horse racing

Date Stakes, York racecourse, England.

FT Survey

The New Severn Bridge.

Public holidays

Paraguay, Spain (Madrid).

THURSDAY 16

Elections in Gibraltar

Elections take place in Gibraltar, the tiny British crown colony at the tip of Spain and the object of a long-running dispute between London and Madrid.

Dominican Republic votes

A new president is being elected in the Dominican Republic to succeed Joaquin Balaguer, an octogenarian who has served six times. He is retiring after only two years of his four-year term following

Greenwich millennium hurdle

Britain's Millennium Commission considers the business plan for the millennium exhibition in Greenwich in 2000. Although the project has been granted up to £200m of lottery funds, Sir Peter Levene - who is leading negotiations with the private sector - has been struggling to find sponsors to match this.

Golf

Benson and Hedges International Open, Thame, England (to May 19).

Gymnastics

Women's European championships, Birmingham, England (to May 19).

Judo

European championships, The Hague (to May 19).

Public holidays

Andorra, Aruba, Austria, Belgium, Denmark, Dominican Republic, Finland, France, French West Indies, Germany, Iceland, Indonesia, Ivory Coast, Liechtenstein, Luxembourg, Monaco, Netherlands, Norway, Portugal, Sweden, Switzerland, Tahiti, Vatican City (Ascension Day).

FRIDAY 17

Ramos/Mahathir in Tokyo

Fidel Ramos, the president of the Philippines, and Mahamad Mahathir, the prime minister of Malaysia, speak in Tokyo at a privately sponsored business conference on the future of Asia.

FT Survey

Private Equity Finance.

Public holidays

Norway.

SATURDAY 18

Athletics

The IAAF grand prix meeting at Atlanta, Georgia, marks the official opening of the Olympic stadium.

Public holidays

Haiti, Uruguay.

SUNDAY 19

Elections in Ecuador

Ecuador stages presidential elections to replace the troubled, outgoing government of President Sixto Duran Ballen. Opinion polls place Jaime Nebot, of the Social Christian party, as the front-runner. He would revive market-oriented reforms - which have faced considerable labour and congressional opposition.

Motor racing

Monaco grand prix, Monte Carlo.

Public holidays

Indonesia, Malaysia, Turkey. Several other Moslem countries, depending on the sighting of the moon.

Compiled by Simon Strong. Fax: (+44) (0)171 573 3194.

Other economic news

Tuesday: With the markets now debating the pace of world growth and its inflationary implications, they will have a spate of data to watch this week.

In France the INSEE quarterly industrial survey will be watched for further signs that the recent decline in output is bottoming out.

In the UK the markets will scrutinise the Bank of England's quarterly survey for clues for future monetary policy.

In Belgium the European Commission releases its forecasts for 1996 growth.

Meanwhile, in the US April retail sales data will be examined for signs of consumer confidence.

Wednesday: April's jobless data in the UK could provide interesting clues about the underlying strength of the British economy.

Meanwhile, German March retail sales figures, due in the middle of the week, are expected to paint a flat picture of demand. The IFO survey of business climate, however, may show a hint of optimism.

Thursday: UK inflation figures for April are expected to show little sign of decline.

ECONOMIC DIARY

Statistics to be released this week

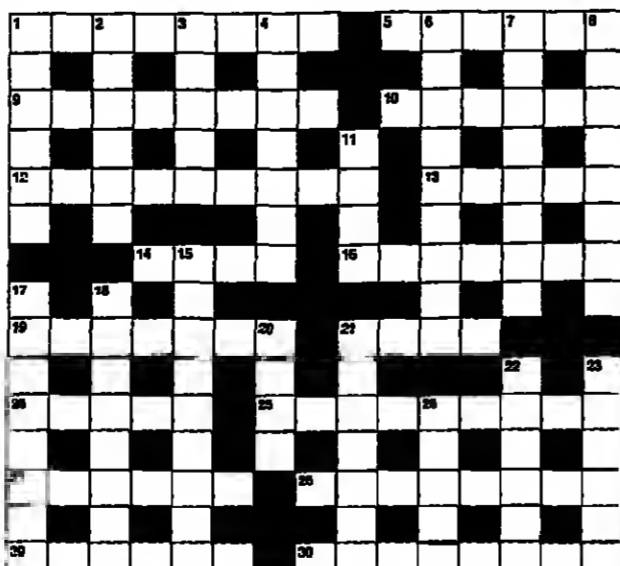
Table with columns: Day Released, Country, Economic Statistic, Median Forecast, Previous Actual. Includes data for France, UK, US, Japan, Germany, etc.

ACROSS

- 1 Made to go home with the Spanish guard (8)
5 Children taking credit for long speech (6)
9 Fool accepts quote caught retiring hermits (8)
10 Fetches black phones (6)
12 Way to publicise item of luggage for flight (8)
13 Not allowed a party top (5)
14 If returning to the marines for company... (4)
15... swimmer in enclosure is staggering (7)
19 Always learns to go before there's gossip (7)
21 Function requiring caviar, about a pound (4)
24 Half undo one on a coupling (5)
25 Left Ivan the Terrible guarding a monster (9)
27 Back in trade without making disclaimer (8)
28 Aptly doctored cat sounds like egg-laying mammal (8)
29 Are looking angry about being brought up (6)
30 Demoted George, now in action (8)

DOWN

- 1 Short of boxes by end of sale (6)
2 Aren't bothered about cold, delicious drink (6)
3 Season centre-forward leaves Barry (5)
4 Cry out, cross, in uncontrolled malice (7)
6 A minute hole in a pink material (9)
7 Mathematician that is upright, working in tens (8)
8 Remove Princess's gatekeeper's cottage (5)
11 Airmen turned key in alarm (4)
15 Suggest using top Italian tunes in a medley (9)
17 On a motorway it's hard (8)
18 And each settlement must include one ratchet (5)
20 Some monkey Eilen bought's a scream (4)
21 Go round using weapon with end missing (7)
22 Formed by mum and copied (9)
23 New as a Franco-American editor (6)
26 Performer rejected rubbish by accountant (5)



MONDAY PRIZE CROSSWORD

No.9,067 Set by GRIFFIN
A prize of a Pelikan New Classic 380 fountain pen for the first correct solution opened and five runner-up prizes of £25 Pelikan vouchers will be awarded.

BREITLING 1884 advertisement featuring a watch image and contact information for Breitling SA, Switzerland.

Handwritten Arabic text at the bottom of the page.

150/11/1996

YOUR BIGGEST GLOBAL RISK MAY BE USING AN INSURER WITHOUT THE FINANCIAL STRENGTH AND INTEGRATED GLOBAL CAPABILITIES OF AIG.

Quite simply, if you're a global company, you face a variety of changing financial exposures. You need a financial partner that not only understands complex risks, but can also provide a variety of insurance and financial solutions. Not to mention the size, strength and stability to be there for the long term. Enter AIG - with unparalleled global capabilities backed by extraordinary financial strength.

What AIG offers is expertise not only in insurance, but also in managing and integrating total marketplace risk. By combining traditional insurance with sophisticated financial solutions, we create unique consolidated risk financing programs, including large-limit multiyear packages with flexible terms and limits.

And who better to meet your local needs than someone who's there? With offices in 130 countries and jurisdictions throughout the world, we have an unmatched knowledge of local conditions and regulations. These resources deepen our own on-the-ground financial structuring, engineering and claims capabilities.

To underscore that we can handle all your needs, we've even created a specialized division, AIG Global Risk. Only AIG could bring together this seamless unit to provide integrated risk management solutions. Access is just a call away.

And we back it all up with an impeccable balance sheet, Triple-A ratings, capital funds of nearly \$20 billion, and net loss reserves approaching \$20 billion.

So we'll be there whenever and wherever you need us. Because no one else can.

For more information please call Tobey J. Russ at (212) 770-7898.

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BUSINESS EDUCATION

Public-service employees are now acquiring the skills of their commercial counterparts, says Della Bradshaw

Back to school for civil servants

"I DID MY DEGREE IN TRIPLICATE."



BANK

In July, yet another group of civil servants will visit run-down areas in Deptford in south-east London. But they will not be the usual collection of housing or benefit officials. This group will be students on the public-sector master of business administration (MBA) course who have opted to take a social policy unit on urban regeneration.

the Deptford social policy "elective". Though specific elective courses have been developed for public-sector students, the bulk of the taught courses are taken alongside students on the general MBA course.

That we're trying to build a long-term relationship between the business schools and the public sector," he says. "Business schools have something we want. I see it as part of my job to try to convey this to Cranfield and Manchester."

NEWS FROM CAMPUS

More women needed on European courses To encourage more women to study for an MBA the International Institute for Management Development (IMD), in Lausanne, and food company Nestlé have introduced a scholarship for women who want to study for a master of business administration degree.

Crunch time on Broadway More than 400 alumni, corporate leaders and students of Donald Jacobs, dean of the Kellogg graduate school of management at Northwestern University, will gather in New York on Friday to celebrate 20 years in the job for America's longest-serving dean.

New jobs for UK academics The Open University Business School has appointed its first professor of human resource management. John Storey, formerly of Loughborough and Warwick Universities, will develop the human resource management aspects of the OUBS courses

CONFERENCES & EXHIBITIONS

- MAY 15 Russia - The Prospect for Reform The Russian election in June is one of the most important political events in Europe this year. At this international conference, leading Russian political figures and international bankers will debate the likely impact of this election on the domestic and international markets.

LANGUAGE COURSES

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SPORT / ARCHITECTURE

Press pack scents profit in game of two halves

Keith Wheatley on plans for UK sports-only publications



Many countries have successful newspapers devoted entirely to sport, but Britain has never been one of them.

But the cosy assumption that a national sports title would not "work" is about to be challenged, and may have to be abandoned.

Keith Young is the publisher behind Sport First. His company, Parliamentary Communications, has titles varying from The House Magazine (behind the scenes at the Palace of Westminster) to the Church of England's weekly newspaper.

"If the idea works we've got adequate funds. If it doesn't, then £10m wouldn't be enough," says Young, adding, tongue in cheek, that his main motivation comes from being an Everton supporter who lives in the south of England and cannot get enough news of his team.

In fact, the ambitions of Sport First are modest. It aims to be a "second paper" and needs a total sale of only 100,000 to be in the money.

Young says that stealing readers off the tabloids is not the name of his game. "If I can't produce a sports paper that sells a combined 100,000 copies in cities like Newcastle, Glasgow, Sheffield, Birmingham, Manchester and Liverpool, then I'm not very good at my job," he says.

He believes fervently that Britain is undergoing a cultural revolution, with football becoming a passion that crosses lines of class, gender and age in the way it does in Italy.

He may be right. But another view says this is a cyclical process that happens every 25 years or so - football as fashion, not passion.

contemporaries were the first players to be part of show business. The stands at Chelsea and Manchester United were full of beautiful people watching the beautiful game.

Within a decade it was gone - wrecked by rapacious managers, boring teams and, above all, trainloads of drunken louts armed with enough aimless aggression to fill a Martin Amis novel.

One man who believes that the surge in interest in football is not at all faddish is Chris Nawrat, another would-be publisher whose project is based entirely on the belief that football has become the focal point of many British lives.

Nawrat was once my boss. We got along more because of a shared interest in American literature than because of any agreement over the possible content of the sports pages.

"It's nonsense to suggest that there is any such thing as a British sports fan who wants a little bit of everything every week.



Fans at Saturday's FA Cup final in London: will their ardour fade?

In reality, the only interest in tennis is during Wimbledon; in rowing at the (Oxford-Cambridge) Boat Race; boxing when Britain fights, argues Nawrat. "Yet the papers clog up their pages with this stuff because they think they have to cover the 'big picture'."

It gets off the ground, Soccer on Sunday's editorial mission will be to report every league match in Britain. Each Premiership club will have an assigned correspondent. A big match might warrant four, six or even eight pages of coverage.

British readers, who long ago resigned themselves to the death of their sporting Pink Uns, nothing Nawrat proposes would seem that fanciful to an Italian or Spanish soccer fan.

Italy's La Gazzetta della Sport has small bands of journalists who devote entire careers to covering say - Juventus. They start by covering reserve teams, and after a working lifetime qualify to interview the manager.

In Spain, football is treated with an

intensity that goes beyond mere match reporting. In one 21-day period over Christmas and New Year recently there was not a single league game in Spain. Marca still managed to lead the front page with a football story on each of those days.

This is the year of William Morris. One hundred years after his death, the anniversary is marked by an important exhibition at the Victoria & Albert museum in London which runs until September.

William Morris, utopia's factotum

Categorising the designer, even a century after his death, is impossible, writes Colin Amery

the development of domestic architecture from the 1860s and attempts to discover how other designers had absorbed Morris's ideas.

Morris was 22 when he signed his articles as an apprentice to George Edmund Street, the leading Gothic architect in Oxford.

Street was a restorer of old buildings while Morris had a horror of restoration which was to inform his approach to architecture and was able to achieve powerful architectural effects from a wide range of materials.

Not for nothing was the new society known as "anti-scrape". It campaigned for the retention of the patina of the ages while encouraging the best of the new to be built alongside the old.

Canterbury Cathedral prompted Morris to write to The Times complaining that Scott would leave behind the "usual mass of ecclesiastical trumpery and coarse daubing".

His view of some Victorian pseudo-Gothic carvings in a newly restored church was forthright: "Why, I could carve them better with my teeth!"

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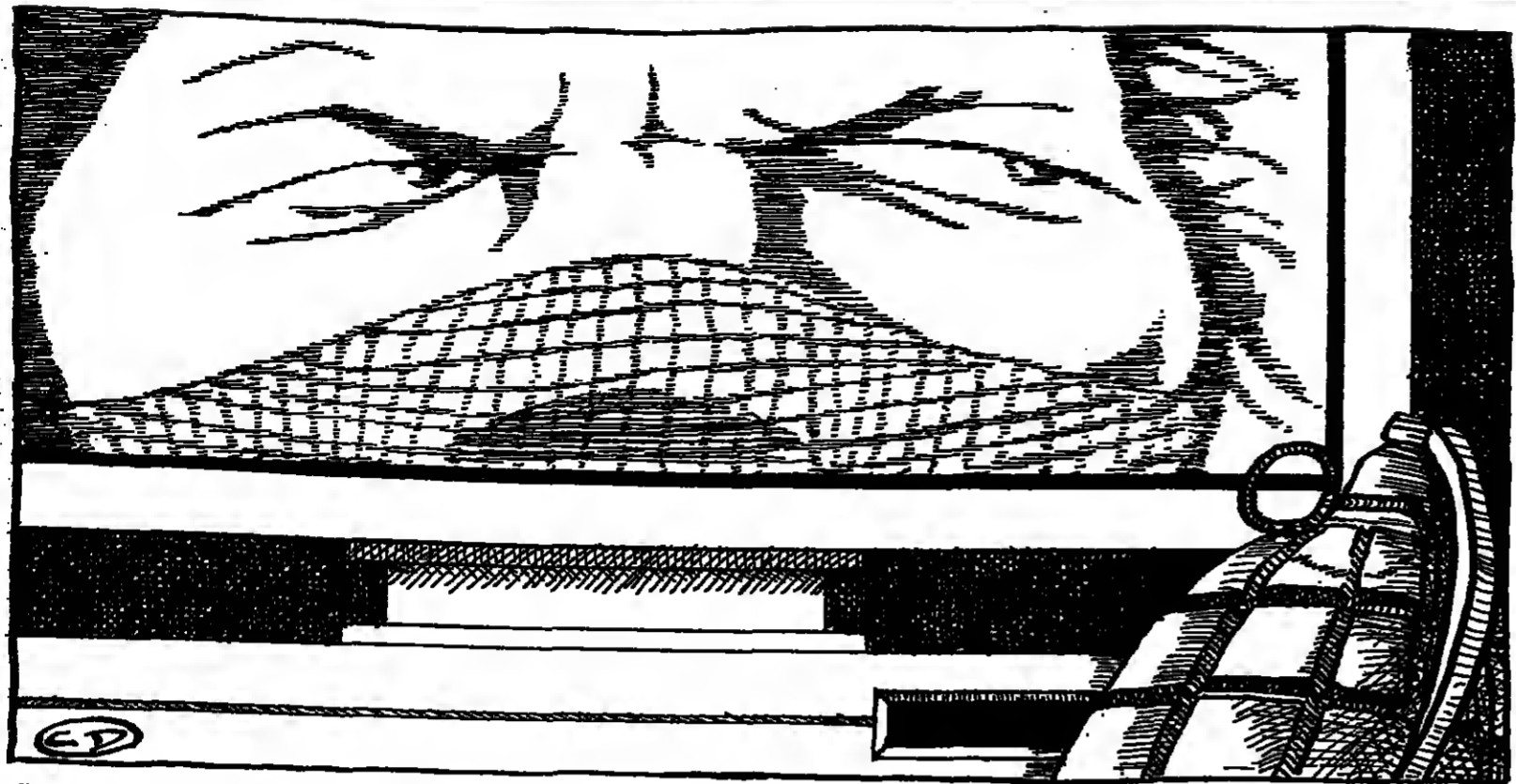
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THE WEEK AHEAD

DIVIDEND & INTEREST PAYMENTS. Includes lists of companies and their respective payment dates and amounts.

Handwritten signature or stamp at the bottom of the page.

MEDIA FUTURES



Shining Path wages flame war

Simon Strong tracks the Peruvian communist guerrilla group to its Web site

It was never easy to obtain official documents from Shining Path, the Peruvian guerrilla group which launched its war on the state in 1980. They had to be obtained from activists who tended not to be available for very long - death or asylum were usually just around the corner.

Possession was also a risk. By 1992, after about 30,000 lives had been lost in the war, the government's repression of the guerrillas had become so random and draconian that one man spent six months in jail as a suspected terrorist after being caught making a photocopy of my book on the subject.

Last month, however, Shining Path launched a Web site on the Internet. The official documents of the Communist Party of Peru - Shining Path's real name - became instantly accessible worldwide. Distributors and readers alike need fear reprisals no longer.

The Web site address arrived by e-mail in response to my own e-mail inquiry to a US pro-Shining Path magazine, *New Flag*, with whose address (ignisp@angelfer.blythe.org) I had in turn been provided by somebody close to the organisation.

Yet attempts to access the page

through CompuServe failed. "Either CompuServe is denying access or it is being denied by the page," a hotline assistant said. After more consultation, he blamed the page format. He denied there was censorship.

Netscape, however, proved no problem. Portraits of Marx, Lenin and Mao emerged like faded ghosts on to my aged black-and-white screen. Five buttons offered routes to "Frequently Asked Questions" about the "People's War", as well as to the party's documents in Spanish and English, to back issues of *New Flag* and information on "President Gonzalo" - the *nom de guerre* of Shining Path's founder and leader, Abimael Guzman.

For any analyst of the Peruvian guerrilla war, the Web site is a remarkable find. Party documents confirm, for instance, that Shining Path believes that Guzman's letters and videotaped TV appearance in 1993 - when, in an extraordinary jail cell *voit face*, he appeared to admit defeat and call for peace talks - were an elaborate hoax.

In the free-market fiesta of President Alberto Fujimori's Peru, such an interpretation of the incident is heresy. When I raised it on a radio news-show,

Tim Jackson

Dial 'N' for nemesis

In New York last Thursday an extraordinary but unpublished meeting took place. It brought together two groups of people who, over recent months, have become bitter opponents: long-distance phone companies and Internet businesses.

The meeting was called against the background of a petition filed this spring by a group of long-distance carriers with the US Federal Communications Commission, begging the FCC to do something to outlaw use of the Net to offer telephone services.

Since this column first started discussing Net telephony last summer, about 1m people have acquired software packages that allow them to hold conversations with people in other countries. Not all these people use the software, and not all the different packages available can talk to each other, but a critical mass has been established that will soon make telephony via the Net a serious possibility for many computer users.

Further striking developments have taken place. Netscape Communications, the company that owns four-fifths of the market for World Wide Web browser software, has released a beta test version of a new browser, Navigator 3.0, which incorporates telephony functions. A company called ShadowTel has come into conflict with Canada's telephone regulators by offering customers a package of cut-price Net-based phone calls to the US. And Vocaltec, the leading telephony software provider, has given the first public demonstrations of a new Net-to-phone package that will allow PC users to call not only other computers around the world, but also any standard phone.

The stage is set for a half year or so in which Net telephony, if unregulated, can be expected to make serious inroads into the long-distance and international revenues of the world's highest telephone companies.

Which raises an important policy issue: should regulators stand by while this happens? At first sight, it is hard to see why not. Telephone companies make far higher margins on international and long-distance traffic than on local calls, and so have forced a minority of customers to subsidise the rest. The arrival of Net telephony, and the change it will wreak on telephone companies' profit and loss accounts, can be seen as an act of justifiable revenge by a much maltreated group of customers.

But allowing Net telephony to grow unhindered would invite one form of economic inefficiency to replace another. The present inefficiency is an artificial increase in the price of long-distance calls, and a consequent reduction in demand. Unrestricted Net telephony would introduce the opposite inefficiency: because Net service providers do not have to make any contribution to the cost of carrying local calls from subscribers into their switches, it can be argued that they can sell Net-based telephony services at an artificially low cost.

The key question is which distortion is more pernicious. Although it is always difficult to allocate costs in the telephone system, where most of the heavy bills are up-front and running costs are minimal, it is probably fair to say that the marginal cost of local calls is a fraction of 1p per minute. It is the difference between this amount and zero that is the distortion in favour of Net companies.

The opposite distortion involved in the traditional carriage of long-distance calls, however, is many times greater. In the US, local access charges paid by a long-distance phone company to cover the costs of the last mile of copper at each end can account for as much as 9 cents per minute. No wonder many long-distance phone companies pay half their revenues to local phone monopolies to settle these charges.

Last month, Prof Joseph Farrell, chief economist of the FCC, said that regulatory agencies like his own should do nothing to hinder the growth of Net telephony. Underlying his words - which had not been cleared beforehand with the commissioners, but seemed to reflect the views of the FCC's staff - was the clear belief that the smaller distortion makes toleration of Net telephony the lesser evil.

Last week saw an interesting divergence of strategy among phone companies. British Telecommunications continues to argue that Net telephony is little more than sleight-of-hand and regulatory arbitrage, since it is for technical reasons a less efficient use of bandwidth than carrying the same calls across the public network.

But this fails to take account of the fact that even without an efficiency advantage, Net competitors can undercut the phone companies' prices by 50 per cent or more because margins on traditional long-distance and international calls are so high.

In America, meanwhile, the telecoms industry is becoming pragmatic. The very holding of last Thursday's meeting - a discreet workshop, billed as a "search for common ground" - is a recognition that what ever else happens, the distortions inherent in the access charge regime cannot continue. No matter how the balance of advantage is struck, the days of paying disproportionately for local-call access are numbered.

This, then, may be the first way in which the Net fulfils its promise to revolutionise the world. Like the Berlin Wall, the entire system of telephone-call pricing, with its rising tiers linked to distance called, may come crashing down. Never mind the International Telecommunications Union and its accounting rates; never mind the bureaucrats in Brussels and their glacial progress towards liberalisation. Within a year, the Net could be responsible for cutting the price of international phone calls by half or three-quarters.

tim.jackson@pobox.com

Smart cards poised to mark revolution in data protection

The poor image of the technology as "Big Brother's little helper" may be altogether undeserved, says Alan Cane

The smart card - a piece of plastic the size of a credit card with a computer embedded in it - offers numerous benefits, but will force a re-evaluation of attitudes to privacy and data protection, says Demos, the independent think-tank.

Its report, one of the first to analyse policy issues raised by the rapid proliferation of smart cards in areas such as finance, health and public administration, warns that the benefits will only accrue when people are confident the technology will not become "Big Brother's little helper", as the authors put it.

Helpfully, Demos suggests policies to sidestep what it sees as a "sterile confrontation" between civil libertarians and authoritarian government and business interests in promoting the benefits of smart cards.

"We have argued that people will trust in these technologies when they can choose anonymity where they want it and have greater control over the use of personal information held about them," say the authors.

What distinguishes the smart card from other information technologies and gives it its power is the capacity to

concentrate and manipulate a huge amount of information in a tiny space.

A reading device is necessary to view the information, but smart cards compute as well as store data. Software can be incorporated to encode the data, rendering it unreadable to anyone without the right key.

What can smart cards be used for? Their main use now is as telephone cards for public pay-phones, but they have the potential to identify individuals, to act as an electronic wallet for cashless shopping, and to provide a secure and portable information store. Medical histories could be stored on a smart card, for example, ready for recall by a doctor.

Visionaries talk of virtually unlimited amounts of information distributed through society in a variety of forms - the credit card model has been adapted for convenience rather than because of limitations inherent in microcomputers. Badges, pins and jewellery could all become "smart" accessories in the future.

However, this sort of crystal-gazing raises questions. For example, what information should be stored on a smart device? Who should be able to

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Cyber sightings

- The 49th Cannes film festival is well under way, and if you can't attend, there are several good sites where you can keep up with the events and gossip. Le Monde and World Media Live have set up a joint site (<http://cannes.worldmedia.fr/Cannes96live>), while the festival's official site is at www.festival-cannes.fr
- The Financial Information Warehouse (www.financial.de) is a German-language site with a Borse ticker, market information and a software house carrying details of relevant applications.
- Anglian Water has set up a

nice, well laid-out site (www.anglianwater.co.uk) as a way of disseminating its corporate message.

- The Institution of Occupational Safety and Health (www.iosh.co.uk) is Europe's leading body for practitioners in that field. Its site has membership details as well as a good listing of forthcoming events.
- If Viking sagas are your particular thing - and that's entirely up to you - try Scarborough's (oops, sorry, that's Skarthaaborg's) very own Millennium Experience (www.eclipse.co.uk/skarthaborg) for storytelling of epic proportions.
- If you prefer more conventional pastimes, try the excellent golf.com. It has a great range of information and entertainment and makes clever use of frames.
- The Henley Business Part-

nership is on www.henleypartners.com and has nothing to do with the Henley Centre, as far as I can tell. This consultancy site is a bit bare-bones, although it has an online "agony column" and business health check which might be useful.

- Talking of online advice, Adrienne Toghraie's "Dear Coach" column (<http://adrienne.com/tot/coach.htm>) is a Q&A forum for traders. So if you've ever asked "How can I handle my in-laws when they call me their 'gambler son-in-law' in public?", then this is the site for you.
- Advancing Women (www.advancingwomen.com) is a nicely designed site set up as a networking opportunity for women in business, science and technology. Plenty of useful resources and a look at leading corporations' workplace gender equality policies.

Xenon Laboratories' Interactive Currency Table (www.xe.net/currencytable.htm) is a useful instant table displaying cross-rates for all the leading currencies as well as sterling.

- For an excellent, enhanced graphical representation of the same information, the Currency Exchange section of Rubicon's Digital Passport (www.rubicon.com/possp.html) takes some beating. Other good features including a global public holiday list, easily make the Digital Passport the site of the week.

stevie.mcgoon@ft.com

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BUSINESS TRAVEL

Travel News • Roger Bray

US airfares tumble

As cut-price, no-frills airlines start to spread their wings in Europe, the US experience augurs well, where they have dragged down the overall cost of flying by up to 40 per cent.

The US Department of Transportation reports that on routes where the no-frills outfits compete with conventional carriers, the average one-way ticket price has fallen from \$143 (£37) to \$94, or from \$173 to \$103 if one of the destinations involved is a leading airline hub. The report estimates that the emergence of carriers such as Southwest Airlines and

ValueJet, has saved US travellers a total of \$602. Between 1985 and 1993 passenger numbers in markets served by low-cost operators tripled to more than 100m, while falling elsewhere.

In the pink

The sugar-pink Mount Nelson Hotel in Cape Town is undergoing a big expansion. Four properties bordering the hotel's grounds are being renovated or rebuilt to provide 67 additional bedrooms and suites. The £7m development will increase the Mount Nelson's

capacity by 40 per cent and is scheduled for completion in time for the next summer season.

Executive service

Le Shuttle, the Channel tunnel car-carrying operation, is to launch a premium class service for business travellers next month.

Customers will be offered a dedicated inquiry line, dedicated toll booths, a priority fast-track lane and airport-style business lounges with fax, telephones, light refreshments and newspapers.

A pilot scheme is already quietly under way. Travellers who look as though they are travelling on business are

asked if they would like to try the service for a small premium.

The operator claims to have attracted nearly 400,000 business users in its first full year, and will attempt to improve on that by offering special hotel, car hire and insurance rates, pre-booked duty-free purchases, and ultimately a frequent-traveller scheme.

Tenerife complex

A striking new pyramid-shaped conference centre has opened in Tenerife. It is close to the beach in Arona, in the south of the island, 11 miles from Reina Sofia airport.

The main auditorium seats 2,044 delegates and there are up to 49 separate rooms for smaller meetings. It is part of a resort complex: two five-star hotels are already open and three more should be completed by October.

Expansion in Asia

Strong economic growth in the Asia-Pacific region has prompted sweeping expansion plans at Radisson Hotels, which hopes to open 75 new properties there by the end of the decade.

Early developments include a 104-room hotel at Bukit Indah City, near Jakarta, which is scheduled to open in August, and the 250-room

Plaza, close to Kuala Lumpur's City Centre development and opening in December. More than 20 properties are planned in India.

Racing to Vietnam

Lands Air, the Austrian airline owned by former world motor racing champion Niki Lauda, has extended its weekly Vienna-Bangkok services to Ho Chi Minh City.

The flight departs at 22.25 on Fridays, arrives in the Thai capital at 16.08 the following day, and lands at Ho Chi Minh's Than Son Nhat airport at 17.40. The airline operates connecting flights from London Gatwick and Manchester.

Likely weather in the leading business centres

City	Mon	Tue	Wed	Thu	Fri	Sat	Sun
Tokyo	18	18	18	18	18	18	18
Hong Kong	25	25	25	25	25	25	25
London	15	15	15	15	15	15	15
Frankfurt	15	15	15	15	15	15	15
New York	15	15	15	15	15	15	15
L. Angeles	24	24	24	24	24	24	24
Manila	24	24	24	24	24	24	24
Paris	15	15	15	15	15	15	15
Zurich	15	15	15	15	15	15	15

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Amman

Stephen Fidler examines the role of Latin American governments

On April 2 this year, at 10.30am, the main international airport in Buenos Aires was plunged into darkness for nearly an hour. It had not paid its electricity bill since November and owed the power company, Edesur, \$630,000 (£547,000).

That afternoon, Oscar Camilión, the minister of defence, contacted Edesur, promising prompt settlement. Ezeiza, run by the Argentine air force, comes under Camilión's jurisdiction. The power cut prompted an article in La Nación newspaper, pressing for the privatisation of the airport, which handles 4m passengers annually.

For some years the private monopoly running air cargo in Argentina has been the centre of a political debate. Complete control of air freight in Argentina by Edesur, owned by Alfredo Yabrán, has been criticised by economy minister Domingo Cavallo and his allies.

So far, the armed forces and Yabrán appear to have succeeded in slowing the airports' privatisation. There is evidence that poor management of the airports is compromising air traffic safety.

For example, the country's two main airports, both in Buenos Aires, together handle an average of 330 aircraft a day. They are monitored by a single radar, with a repeater in the downtown airport, Aeroparque.

According to a report by Andres Ricover, an air safety consultant based in Buenos Aires: "This 20-year-old radar has begun to suffer frequent faults, leaving the entire area of Buenos Aires 'blind' for up to 10 days at a time."

Pilots also report confusion and poor comprehension of English among Argentina's air traffic controllers, says Ricover.

Flights into danger

The safety scores

International aviation rankings in Latin America and the Caribbean

Category 3: Unacceptable	Category 2: Conditional
● Belize	● Aruba
● Dominican Republic	● Bolivia
● Haiti	● Colombia
● Honduras	● Ecuador
● Nicaragua	● Guatemala
● Paraguay	● Jamaica
● Suriname	● Peru
● Uruguay	● Trinidad and Tobago
	● Venezuela

Source: US Federal Aviation Administration

Last winter, a small aircraft taking off from Aeroparque crashed into the River Plate, but rescue teams were not notified.

The two airports - and the Baires air traffic control area - were assigned a black star in April 1995 by international airline pilots, implying critical deficiencies in safety standards.

The pilots' assessors complained that some runways lacked approach lighting and some taxiways were without lights, while some aprons had confusing markings. They concluded: "Landings not recommended in heavy rain and crosswinds exceeding 10 knots."

Ezeiza has recently installed instrument landing systems but inexplicably invested in old technology which does not allow landings in zero visibility.

Argentina is not alone in having its civil aviation run by the military. Paraguay and Uruguay, both of which are classified as having unsatisfactory air safety supervi-

sion by the US Federal Aviation Administration, and whose airlines are thus unable to fly to the US - are in the same predicament.

Chile is an exception. A general heads the civil aviation board, but he is independent from the government and armed forces, and the board is self-financing and free from interference. Its air safety norms are rated highly. Santiago has the most advanced instrument landing systems in Latin America.

Even when civilians are in charge, there are concerns. "In Peru, all international airline safety norms are being violated," says Victor Girao, who flew for 34 years with Faucett Airlines before being dismissed for denouncing alleged management irregularities.

He says pilots' maximum flying hours have been increased, and that some airlines pressure pilots to fly aircraft with defects - and carrying more weight than the manufacturer's recommendation.

Girao says the Boeing 737-200

which crashed in February close to Arequipa, could safely land at that altitude only with 50 passengers. In the event, 117 passengers and six crew died.

Latin American aircraft are also ageing. "The majority of fleets include a large majority of aircraft of more than 20 years of age," says Andres Ricover.

Some countries are already attempting to improve standards. Bolivia is making a great effort to meet all international air safety standards. "They are doing an excellent job," says Ricover.

Privatisation of airports, being proposed by Bolivia, is favoured by many, provided it goes hand in hand with good regulation.

Also examining the issue are the World Bank and the Inter-American Development Bank. In a recent report Ricover argued that in no way were the deficiencies fully attributable to a lack of finance.

He estimates it would take less than \$1bn to fix the ground-based air safety systems in a large part of Latin America.

Boh Booth, head of Miami-based Aviation Management Services, says Latin America is the "fastest growing air traffic market in the world."

Despite this the skies over Latin America remain emptier than over the US, and its airports not as busy. Nonetheless, growing numbers of people in the aviation business believe it is time more Latin American governments acted to improve air safety.

Additional reporting by David Pilling and Sally Bowen

This is the second of two articles on the air travel dangers in Latin America. The first appeared on May 6

Stories about crazy taxi drivers and pothole-ridden mountain roads often feature luridly in travellers' tales about the places they have visited. In fact, traffic accidents in foreign countries are a serious reason for concern, according to the Association for Safe International Road Travel a US non-profit organisation.

Using data provided by the United Nations, the US State Department and individual countries, the association has just published a list of the world's most accident-prone stretches of road.

"Business and other travellers would do well to study safety statistics before they travel," says Rochelle Sobel, who heads the association. "That way they can be better prepared."

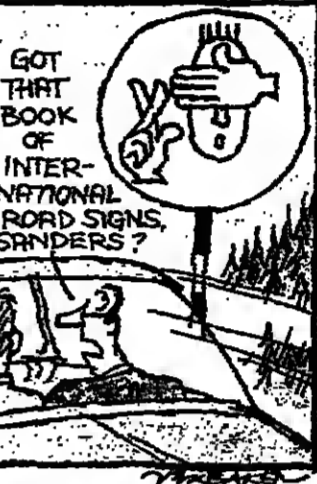
According to the association, the 10 most perilous countries for road travel are Egypt, Kenya, Latvia, Turkey, Morocco, Sri Lanka, South Korea, Honduras, Costa Rica and Mexico. The association also singles out a few particularly dangerous stretches of highway, including the E-5, E-24, and E-23 in Turkey, highway 15 in Mexico, the road between Athens and Corinthos in Greece, and Krish Hachof between Haifa and Tel Aviv.

The world's most accident-prone highway is the Yungus Road in Bolivia, according to the association, because of its sharp turns and slippery terrain. It points out that mountainous highways are often particularly hairy, featuring narrow blind curves with no guardrails. In western Europe, truck-crowded Belgium and mountainous Austria, Greece, Spain and Portugal are among the worst bets. Indeed, motorcycle travel in all these countries should be completely avoided, says the association.

The 10 safest countries for road travel, the statistics show, are Canada, Denmark, the UK, Ireland, Japan, the Netherlands, Norway, Sweden, Switzerland and the US. The association assesses road safety by the number of injuries and deaths per 100m kilometres travelled by all vehicles on a particular country's roads.

By this measurement, a heavily travelled stretch of highway with many accidents would still be deemed safer than a road with half the accidents but only a fifth of the traffic volume.

Differences between countries can be marked. Egypt, for instance, sees about 43 fatalities per 100m



kilometres of road travel, compared with one in the UK, US and Sweden. Even when dangerous roads cannot be avoided, the association says, travellers can reduce the risk of accidents by following safety guidelines. Among them:

● Avoid night travel. Not only is vision limited in the dark, but night is also the time when drunk drivers are most likely to roam dangerously. "Many countries' drunk driving laws are not very strict," says Sobel. Drunks tend to be more numerous on public holidays.

● Find out about local road rules and customs. Knowing when to yield, and what speed to move at, for instance, can help you avert trouble. Drivers should also be aware of national idiosyncrasies. "In some countries, drivers only turn on their car lights when another car is approaching," says Sobel.

● When renting a car, insist that the vehicle is equipped with safety features such as seatbelts and airbags. And check the general condition of the car as far as you can, including its tyres.

Passengers can also lower the risk of an accident, says the association, by being more assertive with local drivers. The association recommends committing to memory a few foreign phrases such as "Please slow down", "Stop" and "Let me out, please".

As for taxis: "Don't be shy about letting the driver know you'd like him to drive more safely," says Sobel.

The association provides free information on road safety in different countries, available from 5413 West Cedar Lane, Suite 103C, Bethesda, Maryland, US.

Victoria Griffith

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FINANCIAL TIMES

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Monday May 13 1996

Recovery path at Lloyd's

Lloyd's of London is entering new waters. There is a real prospect that the insurance market's troubles are at last about to be resolved. Enough of its investors - the Names - appear willing to back a revised recovery plan, as announced on Friday, to offer it a good chance of success. If the plan works, Lloyd's will be able to start planning for a market free from the shadow of litigation and without a question mark over its future solvency.

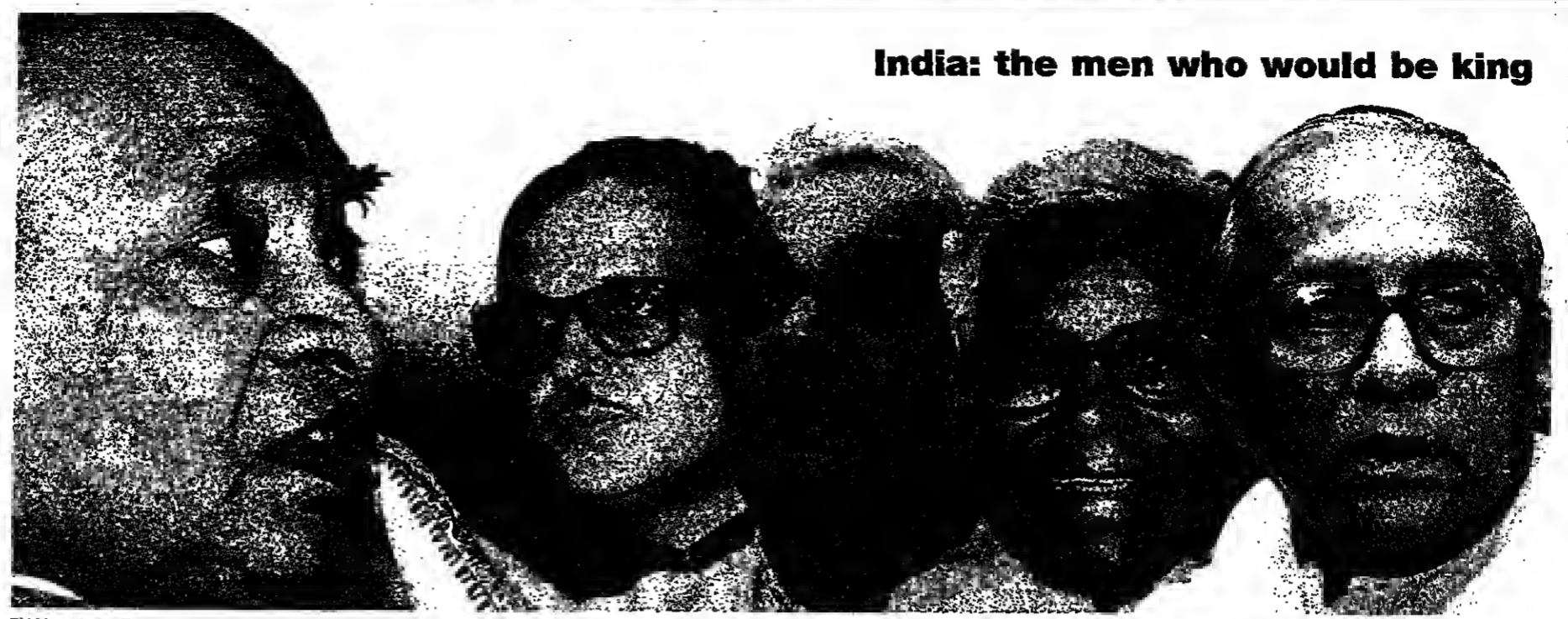
By the end of August, Lloyd's hopes to have collected sufficient funds from Names to finance Equitas, the reinsurance company which plans to take responsibility for billions of pounds of mainly US liabilities outstanding on insurance policies sold before 1993. To help meet the cost of Equitas, to end litigation and to help Names meet their debts, Lloyd's has assembled a settlement offer worth £3.1bn.

There are still some remaining obstacles, most seriously in the US where Lloyd's is fighting a series of legal actions being conducted by state securities regulators. However a deal struck in California late last week, along with other standstill agreements, could be a harbinger of better news from the US as well.

Some Names are still complaining about the size of the contributions from other market constituents. But it is hard to see how Lloyd's might find substantial additional sums of money. The timetable for the recovery plan is already running dangerously close to August 31 and the solvency test set by the Department of Trade and Industry. To postpone this test would leave the government open to accusations of allowing political expediency to overrule responsibilities towards policyholders.

Structures So Names appear to be falling into line on the sensible assumption that what is now on the table really does amount to a final offer. In that case, Lloyd's will have to start getting to grips with some big questions about its future market structure.

First, there is the issue of regulation. Lloyd's has tried to separate its regulatory department from the rest of the organisation. But after the troubles of recent years, only independent supervision would restore confidence. This would need legislation.



PV Narasimha Rao VP Singh AB Vajpayee RK Narayanan Jyoti Basu

India: the men who would be king

The dawning of a new era

India's regional parties are the true winners of the election and the balance of power may be altered forever, argues Mark Nicholson

Now that the votes of hundreds of millions of Indians have been cast and counted in one of the fairest and least violent general elections since India's independence, and the biggest ballot in history, the awkward business of governing the world's second most populous country can resume.

Not quite at once, India's 11th election, the biggest democratic ballot in history, was subdued by tight curbs on campaign spending and these new regional parties re-emerge as either compelling national issues or dominant personalities. It has returned a fragmented and complex permutation of parties. None of India's main political groups enjoys a governing margin.

middle-ranking castes, losing out to new caste-based parties which have sucked away Congress support in Uttar Pradesh and Bihar, where the party has been eviscerated, and in this election in Madhya Pradesh, Punjab and Maharashtra.

Never in India's recent history have so many political leaders gathered in Delhi, each carrying a chance of emerging as India's next prime minister.

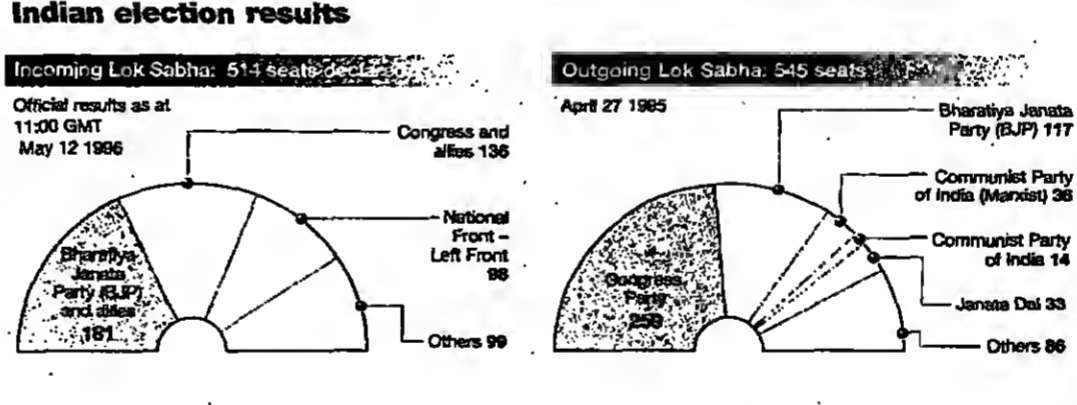
These regional barons' quest to impose their interests has begun immediately. The leaders of the four biggest regional groupings, the Telugu Desam Party (TDP) from Andhra Pradesh, the Dravida Munnetra Kazhagam, which swept Tamil Nadu in league with Congress party defectors, and two smaller Assam and Punjab parties met yesterday to hammer out a united front.

Some fear that this may immediately threaten the delicate macro-economic balance wrought by Mr Manmohan Singh, the Congress finance minister, over four years of revolutionising fiscal, trade and

Relations In all those respects Britain and France are more like each other than like most other European states; and in particular they are unlike Germany. Both are committed to maintaining good relations with present-day Germany, and they are not above competing for German support on occasion.

happy couple were overthrown in 1986. Marcos, who makes regular television appeals to the country saying she is as "poor as a church mouse", told her 208 fellow legislators that her net wealth was minus 300 pesos (\$1.1m). "The truth will prevail", she added.

100 years ago French Loan Mission to U.S. Paris, 12th May: The loan mission to Washington of M. Leon Blum was described as "an enormous success" by M. Andrew Philip, French Finance Minister, last night.



Nation-states of Europe

Jacques Chirac's visit to Britain this week will be a largely ceremonial affair. It is a state visit, which means he comes as head of state, and guest of the Queen, rather than as political leader.

Relations In all those respects Britain and France are more like each other than like most other European states; and in particular they are unlike Germany.

They are both maritime powers, situated at the seaward end of the European peninsula. That geography has given them a history of overseas expansion which has an enduring legacy. Both maintain links with former colonies scattered around the globe.

OBSERVER

A fistful of dolours

A question for company directors: should your long-esteemed colleague remain on the board if it turns out he's been beating his wife?

Little and large

John Major seems for once to have been able to entertain a welcome guest from Germany, in the shape of the outgoing prime minister of Bavaria, Edmund Stoiber, who recently popped across to the UK.

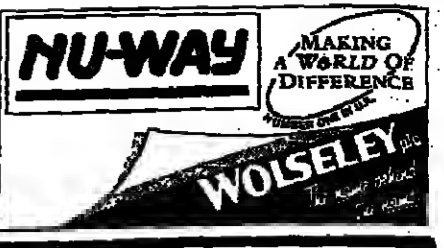
Most appealing

You've got to admire her persistence. Newly elected congresswoman Imelda Marcos yesterday lashed out at colleagues in the Philippine legislature. They want a full investigation into the former first lady's wealth.

Very windy city

Move over Michael Jordan, Princess Diana is hitting town. In the sort of feeding frenzy Chicago hasn't seen since Queen Elizabeth II herself visited in 1966, socialites are lining up for the various junkets involving the Princess during her three-day stay from June 4.

Seizure of a British Concession Shanghai, 12th May: The agent of the Russian Steam Navigation Company has secured the foreshore belonging to Messrs. Ferguson at Chefoo with the object, it is presumed, of building a pier. Objection was made by the other Chefoo firms, but the Russian Government intervening in the affair, the Chinese authorities acceded to the request of the Russian Vice-Consul. There are now six Russian warships at Chefoo and four United States war vessels. The action has provoked intense excitement.



LEGAL DEFINITIONS
 leasehold n. & adj. 1. a legal right in which an opponent is partly restrained (half lease) or completely restrained (full lease) 2. the holding of property, see ROWE & MAW: asp (pb 0171-248 4282)
 Rowe & Maw
 LAWYERS FOR BUSINESS

Bulgaria plans shutdown of state enterprises in bid for IMF aid

By Theodore Troev in Sofia
 Bulgaria is expected to announce today the closure of dozens of loss-making state enterprises, throwing thousands out of work, in a bid to reach agreement with the International Monetary Fund on a support package to defuse the current economic crisis.
 Along with the closures - which include coal mines, refineries, power stations and shipyards - the government will list enterprises to be restructured, likely to include Balkan Airways and the state railway company. Officials will be sent to the enterprises concerned to prevent looting of assets.
 The announcement comes at

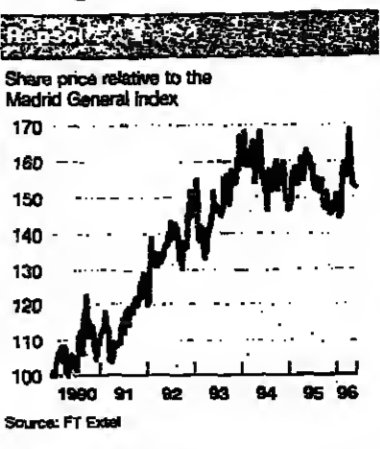
the start of a crucial week for Bulgaria, after the central bank on Friday raised its main interest rate to a record 108 per cent from 87 per cent to halt the steep decline in the value of the lev, the national currency.
 The currency crisis was triggered by concern about Bulgaria's ability to meet a heavy foreign debt repayment schedule.
 Over the weekend, government and central bank officials expressed confidence that an agreement with the IMF on a new standby arrangement could be reached this week. An IMF mission is currently in Sofia.
 Their confidence, coupled with the record interest rates, appeared to stabilise the lev,

which has plunged this year from 70.70 to the dollar to a central bank fixing rate of 122.56.
 However, many shops were refusing to accept the lev in payment for non-perishable goods, insisting on US dollars.
 Analysts warned of the economic danger in the current level of interest rates. "This will freeze all investments," said Mr Emil Harsev, a former deputy governor of the central bank.
 If the crisis continues when markets reopen today, the central bank is not expected to be able to intervene strongly to support the lev as its foreign exchange reserves have shrunk to \$560m by the end of April from \$1.3bn at the end of 1995.

Foreign bankers fear that, without IMF support, Bulgaria may fail to service debt payments of \$1.2bn this year. But a deal will need an indication of the government's will for reforms.
 Earlier talks with the IMF collapsed because the government could not push through the closure of the loss-making state enterprises and a restructuring of the state-owned banks.
 Critics cast doubt on whether the government's actions would restore confidence in reforms. "Confidence in state institutions is crumbling before our eyes," said Mr Garabed Manasian, a leading Bulgarian economist. "We do not trust our banks, our police or the statistics."

THE LEX COLUMN Risky business

The two-year-old legal battle between Procter & Gamble and Bankers Trust over derivatives contracts has been settled out of court. In the meantime, the market has adapted to a new type of risk: the legal risk of being sued for selling clients instruments they do not fully understand or which are inappropriate to their needs.
 At the time, P&G's legal action shocked the derivatives industry. As in the securities markets, the overriding attitude towards professional clients was *caveat emptor*. Logically or not, it is now accepted that derivatives are different because of their complexity. Documentation has become much more precise, detailing not only the terms of the agreement but potential changes in valuations.
 At its worst, innovation in the derivatives market was more about finding a way of gaining fatter margins than providing clients with useful instruments. After a slump, volumes have revived, but clients are sticking to plainer instruments. Even hedge funds, badly burnt by the bond market collapse of 1994, have lost some of their appetite for leveraged risk. The result is that margins for banks have thinned. The fee for a currency option with a face value of \$1m appears to have stabilised at around \$500 compared with \$1,000 a few years ago.
 So it is more or less a happy ending, with pushers and victims reaching some sort of accommodation. The exception is Bankers Trust, which bore the brunt of criticism and saw profits slump as a result. It still has to find a new identity: most imaginative inventor of derivative instruments is no longer a desirable label.



long-term shareholders, which protect management from the rigours of shareholder discipline. The new government should stand by its criticisms of such methods, if it wants to maximise revenues - and this should be a priority, given Spain's commitment to joining a single European currency.
 The most sensible approach for the government would be to sell out of Repsol, the oil group, and reduce its investment in the state utility Endesa this year. A sale of telecoms giant, Telefonica, should be postponed, since the company offers considerable scope for rationalisation, and there is a surplus of alternative telecoms offerings. But an attractive alternative would be a trade sale of Argentaria. By offering a slice of the Spanish banking market to all-comers, the government would get an excellent price - and revitalise the banking sector at the same time.

Lloyd's deal

Continued from Page 1
 and Exchange Commission, the federal securities regulator, which suggested, contrary to past practice, that US Names should be able to have grievances heard in US rather than UK courts.
 That could encourage loss-making US Names to believe they still have a good chance of winning more in court.
 Last week a motion filed by the California Department of Corporations against Lloyd's was dismissed on a technicality and the department had been expected to refile.
 Under the weekend deal, new litigation is precluded until June 15, in the meantime, Lloyd's has agreed not to draw on letters of credit used as collateral by Names.
 Lloyd's has won support from US insurance regulators worried about the effect of the securities regulators' actions on US policy holders.
 Mr Chuck Quackenbush, California's insurance commissioner, said: "This agreement gives all parties to this action an opportunity to start afresh and attempt in good faith to resolve these perplexing issues without resorting to the expense and delay of a prolonged court battle."

Brussels faces embarrassment over reduced growth forecasts

By Gillian Tett in London
 The European Commission will face fresh embarrassment this week over preparations for a single currency when it cuts its forecasts for growth in member states.
 Weaker-than-expected growth has fuelled Commission fears that Germany and France will fail to meet budget deficit criteria for economic and monetary union.
 Under the Maastricht treaty, states wanting to join a single currency in 1999 must reduce their budget deficits below 3 per cent of gross domestic product in 1997.
 Any forecast that Germany and France will fail to meet this target will prove highly embarrassing for Mr Yves-Thibault de Silguy, European monetary affairs commissioner. In meetings with British officials in London last week he insisted the 3 per cent debt target remained "fully realistic and achievable".
 Some observers suspect the Commission will now shy away from explicitly stating that

French and German deficits will be more than 3 per cent of GDP. The Commission denies its forecasts are politically massaged. But financial markets are likely to greet with deep scepticism any projection showing Germany and France on course to meet the deficit criteria.
 "People will smell a rat - they just won't believe it," Mr Keith Skeoch, chief economist at stockbroker HSBC James Capel, said.
 The Commission's last half-yearly outlook in November forecast growth in Europe this year at 2.6 per cent. This should enable France and Germany to meet the deficit target.
 Mr de Silguy admitted last week that growth would be markedly less than 2 per cent. Commission officials are still thrashing out the final details of the growth and deficit forecasts, to be presented on Wednesday. But some believe the forecast for growth will be nearer 1 per cent.
 The Organisation for Economic Co-operation and Development has already forecast that France and Germany will fail to meet the deficit criteria as a result of

the broader economic slowdown in Europe.
 Figures drawn up for the OECD ministerial meeting next week show that the German and French deficits will be significantly higher than 3 per cent next year, although the OECD has faced pressure to amend these to reflect the recent German budget cuts.
 Some economists, like Mr Skeoch, believe these forecasts will trigger a wave of scepticism about EMU. Others, such as Mr Patrick Artus, chief economist of the French group Caisse des Dépôts, insist the political momentum behind monetary union simply means the deficit criteria will be relaxed.
 Commission officials believe the impact of softening the treaty terms might be lessened if a greater focus was placed on the convergence process after monetary union starts. The Commission wants to create an "early warning" system that would encourage countries to keep cutting budget deficits under EMU.
 Spanish knife to spending, Page 2

Zeroual aims to end Algerian fighting

by Rouda Khaïat in Algiers
 Mr Liamine Zeroual, the Algerian president, yesterday outlined his plan to end four years of violent struggle with Islamic militants.
 His proposals include amending the constitution to bar Algerian parties from using religion or ethnicity for political ends, establishing a second chamber of parliament with appointed national figures and limiting any president to two five-year terms.
 There has been no elected parliament since 1992, although a lower house continues to exist under the constitution.
 Mr Zeroual's programme says political parties should renounce violence and have at least one founder-member and a minimum

of 800 members in a majority of the country's 48 wilayas (provinces) before they could contest elections. Polling would be under proportional representation.
 The parties were asked to respond within two weeks. A national conference on the proposals is planned for summer, and legislative elections scheduled in the first quarter of 1997.
 Mr Zeroual won a landslide victory in presidential elections last November, and in April held a first round of consultations with political leaders.
 After Algerians took to the streets in 1993 to demand democratic freedom and economic reform, Mr Chadli Bendjedid, then president, opened up the political system to make it more

democratic. Parties emerged with as few as 15 members, and widespread dissatisfaction with the regime allowed an Islamic party, the Islamic Salvation Front (FIS), to win the first round of legislative elections in 1991.
 The army stepped in and cancelled the second round of elections and the FIS was outlawed, provoking a struggle in which about 40,000 people have died.
 Mr Zeroual seems to have little intention of allowing the FIS to contest elections. Outlawing religious parties will present problems, however, since he allowed one, Hammas, to contest last year's presidential elections.
 Yesterday, some political leaders were doubtful whether Mr Zeroual intended to bring the

country back to pre-1989 one-party rule or only lead it towards a more managed democracy. Some analysts suggested that the plan was simply a basis for discussions with political leaders.
 Mr Ronald Newmann, US ambassador to Algeria, said yesterday that the plan was encouraging a level of openness.
 "We are not saying that you have to reach 100 per cent democracy, but you cannot get to stability through repression and without a political solution. This is what the Algerian government says it is going to do, and they will have a real opportunity to show this by the way they react to what the parties tell them about the memorandum," Mr Newmann said.

FT WEATHER GUIDE

Europe today
 Much of western Europe will be dry and fair but temperatures will be low. Readings higher than 20C will only be found in southern France, in Spain and Portugal and in southern Scandinavia as warmer air from the east crosses the Baltic Sea. Central Europe and the eastern Mediterranean will be unsettled. Showers will be numerous, some with thunder, and temperatures will stay below normal, especially across Italy. The highest temperatures will be found around the Black Sea and over southern Russia where values will reach 30C in places.

Five-day forecast
 A warming trend will improve conditions over Italy and Greece but Spain and Portugal will have an increased risk of showers as the week progresses. North-west Europe will stay mainly dry for the first half of the week. More cool air from the north will cross the North Sea countries during the second half of the week. The northern Alps are likely to have a lot of rain during the next couple of days.

Warming front Cold front Wind speed in KPH

TODAY'S TEMPERATURES
 Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteor Consult of the Netherlands

Abu Dhabi	sun	41	Belgrade	fair	21	Cardiff	sun	14	Cairo	sun	36	Canary Islands	sun	26	Canton	sun	26	Caracas	sun	26	Chicago	sun	22	Columbo	sun	28	Dakar	sun	26	Dallas	sun	24	Dubai	sun	30	Dublin	sun	13	Edinburgh	sun	11	Faro	sun	21	Frankfurt	sun	15	Geneva	sun	17	Glasgow	sun	13	Hamburg	sun	17	Helsinki	sun	21	Hong Kong	sun	26	Honolulu	sun	30	Islamabad	sun	26	Jakarta	sun	32	London	sun	13	Los Angeles	sun	24	Luxembourg	sun	18	Lyon	sun	18	Madrid	sun	21	Manila	sun	26	Manchester	sun	13	Medan	sun	26	Mexico City	sun	21	Miami	sun	26	Moscow	sun	13	Mumbai	sun	36	Nairobi	sun	26	Nagasaki	sun	24	Nassau	sun	24	New York	sun	22	Nice	sun	20	Nicosia	sun	20	Osaka	sun	18	Paris	sun	13	Perth	sun	18	Prague	sun	19	Rangoon	sun	21	Riyadh	sun	33	Rome	sun	18	Singapore	sun	32	Stockholm	sun	16	Sydney	sun	18	Taipei	sun	22	Tel Aviv	sun	30	Tokyo	sun	21	Toronto	sun	10	Vancouver	sun	16	Vientiane	sun	20	Vienna	sun	20	Warsaw	sun	18	Washington	sun	13	Wellington	sun	14	Winnipeg	sun	17	Zurich	sun	14
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